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Allan G. Andrews, C.A.
Metropolitan Auditor

THE MUNICIPALITY OF METROPOLITAN TORONTO

Report on the audit of the books and accounts of the Metropolitan Corporation for the year ended

December 31, 1983

The Municipality of
Metropolitan Toronto

Metropolitan Audit Department

12th Floor, 365 Bay Street
Toronto, Ontario, Canada M5H 2V1
Telephone: (416) 947-8030

Allan G. Andrews, C.A., *Metropolitan Auditor*

July 18, 1984

**Chairman and Members of the
Metropolitan Council of the
Municipality of Metropolitan Toronto**

I have examined the financial statements of the Municipality of Metropolitan Toronto and its boards, commissions and agencies. I have reported on the consolidated statements of the Municipality for use in reporting to the Province of Ontario and for publication to the ratepayers of Metropolitan Toronto. I have also reported to Council on the financial statements of the individual boards, commissions and agencies. Accordingly, I include in this report the unconsolidated statements of the Municipality, together with my report as auditor.

By the Municipality of Metropolitan Toronto Act the inhabitants of the Townships of East York, Etobicoke, North York, Scarborough and York, the Villages of Long Branch, Forest Hill and Swansea, and the Towns of New Toronto, Leaside, Mimico and Weston, and the City of Toronto, were constituted a body corporate under the name of "The Municipality of Metropolitan Toronto" on April 15, 1953 for the purpose of carrying out the functions and services as set out in the Municipality of Metropolitan Toronto Act. Effective January 1, 1967, thirteen area municipalities were consolidated into six area municipalities, i.e. the City of Toronto and what are now the Cities of Etobicoke, North York, Scarborough and York and the Borough of East York. Effective January 1, 1974, a portion of the Township of Pickering was annexed to what is now the City of Scarborough.

The powers of the Metropolitan Corporation are exercised by the Metropolitan Council made up of 39 members elected to the Councils of the six area municipalities. In addition the Metropolitan Chairman is elected by these members (not necessarily from among themselves) and is also a member of the Metropolitan Council. Except where otherwise provided, the jurisdiction of the Metropolitan Council is confined to the Metropolitan Area.

I have set out in some detail the responsibilities and powers of the Metropolitan Corporation in Appendix I at the end of this report.

THE RESPONSIBILITIES OF THE METROPOLITAN AUDITOR

The statutory responsibilities are set out in Sections 22, 24, 212, 221 and 245 of the Municipality of Metropolitan Toronto Act. Section 22(4) of this Act provides that the Auditor shall perform such duties as are prescribed by the Ministry of Municipal Affairs and Housing for the Province of Ontario, and also such duties as may be required by the Metropolitan Council or any local board of the Metropolitan Corporation that do not conflict with the duties prescribed by the Ministry.

The responsibilities are set out as follows:

1. The audit of the books and accounts of the Metropolitan Corporation.
2. The audit of the books and accounts of:
   (a) The Metropolitan Waterworks System
   (b) The Board of Governors of Exhibition Place
   (c) The Toronto Transit Commission and its subsidiary, Gray Coach Lines, Limited
   (d) The Metropolitan Toronto Sinking Fund

(e) The Metropolitan Toronto Pension Fund

(f) The Metropolitan Board of Commissioners of Police for the Metropolitan Corporation.

(g) The Metropolitan Toronto Police Benefit Fund

(h) The Metropolitan Licensing Commission

(i) The Metropolitan Toronto Library Board

(j) The Board of Management of the O'Keefe Centre

(k) The Board of Management of the Metropolitan Toronto Zoo

3. At the annual general meeting of the shareholders of the Metropolitan Toronto Housing Company Limited, the Metropolitan Auditor was appointed the auditor of the company.

4. At the annual general meeting of Canada's Sports Hall of Fame, the Metropolitan Auditor was appointed auditor of the organization.

5. The audit before payment of all invoices and paysheets of the Corporation, as set out in By-law 2799 and the countersigning of all cheques and bank transfers drawn by the Metropolitan Treasurer on any of the Corporation's bank accounts, with the exception of cheques drawn on the following:

(a) The special trust bank account maintained by the Commissioner of Social Services for the principal purpose of depositing the monthly Old Age Assistance and Old Age Security cheques, a portion of which was credited to the residents of Homes for the Aged. The bank account and the signing officers therefor were authorized by Council on February 16, 1954, and amended subsequently from time to time.

(b) The two special trust bank accounts maintained by the Commissioner of Community Services for the purpose of depositing for safekeeping personal monies of residents in the Homes for the Aged. These bank accounts were authorized by Council on February 7, 1956, and the signing officers have been authorized from time to time by Council.

(c) The special bank accounts maintained by the Commissioner of Community Services for the issuance of General Welfare Assistance.

(d) Special bank accounts maintained by certain department heads for petty cash purposes.

(e) The special bank accounts maintained by the Metropolitan Toronto Board of Commissioners of Police.

(f) The bank accounts maintained by the Sinking Fund Committee for Metropolitan Toronto.

6. The audit before payment of all vouchers of the Metropolitan Toronto Pension Fund and of the Metropolitan Toronto Police Benefit Fund and the countersigning of all cheques for these two funds.

7. The approval of by-laws passed by the municipality establishing schedules of retention periods during which the receipts, vouchers, instruments, rolls or other documents, records and papers must be kept by the municipality or local boards.

In carrying out the audit responsibilities set out by statute I am bound to perform such audits according to generally accepted auditing standards. In view of the nature of public funds I have followed the practice of commenting in some detail on the fiscal operations of each of the bodies for which I am the auditor, including the Metropolitan Corporation. This is a practice which is becoming increasingly more widespread in public sector auditing.

The demands for a variety of reports on the fiscal affairs of the Metropolitan Corporation have substantially increased in the past few years. For the fiscal year 1983, I have expressed or will issue opinions on:

1. The Financial Information Return submitted to the Ministry of Municipal Affairs and Housing reflecting information on the consolidated operations of the Metropolitan Corporation, its boards and agencies.

2. Consolidated financial statements of the Metropolitan Corporation, its boards and agencies. The consolidated financial statements are used for the Financial Report, which will be filed with the Ministry of Municipal Affairs and Housing.

   The consolidated financial statements are also used as the basis for publication in the media, which is a statutory requirement and which I review prior to publication.

3. Financial statements of the Metropolitan Corporation which are contained in this report.

4. Financial statements of all the boards and agencies set out on pages 2 and 3.

5. A variety of financial statements of certain portions of the Metropolitan Corporation's operations submitted for subsidy claims.

6. A number of reports indicating compliance with various legislative requirements.

COMMENTS ON FINANCIAL STATEMENTS

The 1983 financial statements of the Metropolitan Corporation and the comparative amounts for 1982 comply with the reporting requirements of the Ministry of Municipal Affairs and Housing which were substantially revised for 1983.

The principal changes include:

1) A combination of Revenue, Capital and Reserve Funds into one consolidated balance sheet and statement of operations.

2) A separation of assets on the balance sheet into two classes:

   a) Restricted - comprising assets of the Reserve Funds, and
   b) Unrestricted - comprising all other assets.

3) A reclassification of capital expenditures not yet permanently financed. These expenditures are now offset against the capital funds available for the acquisition of fixed assets.

Balance Sheet

The distribution of the assets and liabilities between the various funds is set out on the following schedule:

	Revenue Fund	Capital Fund	Reserve Funds	Internal Fund Eliminations	Total
	$	$	$	$	$
Assets					
Unrestricted					
Cash	3,318,000				3,318,000
Investments	103,825,000				103,825,000
User charges receivable	18,472,000	3,366,000			21,838,000
Accounts receivable	94,442,000	71,745,000		5,255,000	160,932,000
Other current assets	10,684,000	1,171,000			11,855,000
Long term receivables	1,537,000				1,537,000
	232,278,000	76,282,000		5,255,000	303,305,000
Restricted					
Cash			614,000		614,000
Investments			13,364,000		13,364,000
Accounts receivable			349,000	40,000	309,000
Other current assets			116,000		116,000
			14,443,000	40,000	14,403,000
Capital outlay financed by long term liabilities and to be recovered in future years		700,827,000			700,827,000
Total	232,278,000	777,109,000	14,443,000	5,295,000	1,018,535,000

	Revenue Fund	Capital Fund	Reserve Funds	Internal Fund Eliminations	Total
	$	$	$	$	$
Liabilities					
Temporary loans	7,687,000				7,687,000
Accounts payable and accrued liabilities	140,155,000	49,885,000	375,000	5,295,000	185,120,000
Other current liabilities	13,051,000				13,051,000
	160,893,000	49,885,000	375,000	5,295,000	205,858,000
Long term payables		11,138,000			11,138,000
Net long term liabilities		700,827,000			700,827,000
Fund balances at the end of the year to be used to offset taxation or user charges in 1984	39,329,000				39,329,000
Unapplied capital receipts		15,259,000			15,259,000
Reserves	32,056,000				32,056,000
Reserve funds			14,068,000		14,068,000
Total	232,278,000	777,109,000	14,443,000	5,295,000	1,018,535,000

CASH - $3,318,000 (1982 - $1,280,000)

This is made up of Revenue Fund cash as follows:

Cash on hand	$ 188,000
Cash on deposit	3,020,000
Community Services Department Imprest bank accounts for emergency welfare purposes	110,000
	$3,318,000

The cash on hand comprises imprest petty cash funds and change funds advanced to various departments, the Licensing Commission and the Police Commission. Under By-law 94-79 of the Metropolitan Corporation, petty cash disbursements are limited to a maximum of $100 in any one instance and the authorized receipts must be attached to the reimbursing voucher. I have made several audits of the cash funds during the year.

The amount of $3,020,000 is made up of balances in 8 banks. Balances in United States bank accounts amounting to $50,000 have been translated into Canadian funds at the rate of exchange prevailing at December 31, 1983.

Section 21 of the Municipality of Metropolitan Toronto Act provides that the Treasurer shall open an account or accounts in the name of the Metropolitan Corporation at such place of deposit as may be approved by the Metropolitan Council. As recorded in the Council Minutes adopted October 15, 1953, the Metropolitan Council designated all local chartered banks as bankers for the Metropolitan corporation. All banks used by the Treasurer for the deposit and issuance of cheques were chartered banks and all monies received by the Treasurer have been deposited to the credit of the Metropolitan Corporation without deduction for disbursements.

Section 238 of the Municipality of Metropolitan Toronto Act provides that monies received by the Metropolitan Corporation from the sale or hypothecation of any debentures shall be used only for the purposes for which the debentures were issued and shall not be applied toward payment of the current or other expenditures of the Metropolitan Corporation. Section 38 of the same Act provides that the Metropolitan Council shall keep separate books and accounts of the revenues, expenditures, assets and liabilities of its Waterworks System in such a manner as may be prescribed by the Ministry of Municipal Affairs and Housing. The bank accounts of the Metropolitan Corporation do not record separately the money applicable to the debenture funds, the Waterworks System, or the trust funds maintained by the Treasurer and all these monies are deposited in the Revenue Fund bank accounts of the Corporation from which disbursements are made for all purposes. I have reported further in regard to this in my "General Comments" on page 40.

INVESTMENTS - REVENUE FUND - $103,825,000 (1982 - $155,707,000)

Section 217 of the Municipality of Metropolitan Toronto Act provides that, where the Metropolitan Corporation has monies not required immediately, such monies may be invested in certain securities as set out in the Act, provided that the monies are repayable by the day on which they are required by the Metropolitan Corporation.

During the year 1983, the Commissioner of Finance from time to time invested monies in accordance with Section 217 of the Municipality of Metropolitan Toronto Act, of which $103,825,000 remained outstanding at the year-end. These investments all matured early in 1984, and all proceeds were received by the Metropolitan Corporation. I have made a physical count of these investments and found them to be in order.

USER CHARGES RECEIVABLE

- REVENUE FUND - $18,472,000 (1982 - $13,263,000)
- CAPITAL FUND - $3,366,000 (1982 - $714,000)

User charges include maintenance fees charged to residents of Metropolitan Toronto's Homes for the Aged, sewer surcharges on water supplied to area municipalities, rental of Metropolitan owned properties, refuse disposal fees and charges for various services provided to other parties.

ACCOUNTS RECEIVABLE

- REVENUE FUND - $94,442,000 (1982 - $75,335,000)
- CAPITAL FUND - $71,745,000 (1982 - $75,353,000)

The revenue fund accounts receivable are made up largely of unpaid grants and subsidies, surpluses due from local boards and entities and surplus sinking fund monies. The capital fund accounts receivable are made up largely of advances to the Metropolitan Toronto Housing Company Ltd., Area School Boards and the Toronto Transit Commission, together with unpaid grants and subsidies.

OTHER CURRENT ASSETS

- REVENUE FUND - $10,684,000 (1982 - $9,012,000)
- CAPITAL FUND - $1,171,000 (1982 - $961,000)

This is made up as follows:

	Revenue Fund	Capital Fund
Inventories	$ 2,198,000	$1,171,000
Prepaid expenses:		
General Welfare Assistance for January 1984	7,809,000	
Prepaid rent and expenses	677,000	
	$10,684,000	$1,171,000

INVENTORIES

- REVENUE FUND - $2,198,000 (1982 - $1,912,000)
- CAPITAL FUND - $1,171,000 (1982 - $961,000)

This is made up as follows:

	Revenue Fund	Capital Fund
Roads Department	$ 328,000	$
Police Force	1,035,000	
Community Services Department		
- Central Stores	251,000	
- Central Maintenance	67,000	
Works Department		1,171,000
Ambulance Services Department	517,000	
	$2,198,000	$1,171,000

Inventories are priced at average cost.

LONG TERM RECEIVABLES - REVENUE FUND - $1,537,000 (1982 -$1,996,000)

This is the amount owing from purchasers of surplus properties owned by the Metropolitan Corporation, due later than one year from the balance sheet date. The amounts owing from purchasers of these properties, due within one year of the balance sheet date are included in Accounts Receivable.

RESTRICTED ASSETS - $14,443,000 (1982 - $11,372,000)

These assets have been set aside, in compliance with the Municipality of Metropolitan Toronto Act, for purposes of the Reserve Funds, upon which I have commented on page 22. The assets are made up largely of investments and cash in the bank. I have made a physical count of these investments and found them to be in order.

CAPITAL OUTLAY TO BE RECOVERED IN FUTURE YEARS - $700,827,000
(1982 - $737,245,000)

This is made up as follows:

General municipal activities	$415,318,000
Metropolitan Waterworks System	85,928,000
Toronto Transit Commission	23,708,000
Metropolitan Toronto School Board	175,873,000
	$700,827,000

In order to comply with the requirements of the Municipal Financial Reporting Handbook issued by the Ministry of Municipal Affairs and Housing, capital outlay to be recovered in future years is recorded at the amount of the corresponding net long term liabilities. Unfinanced capital expenditure is netted against unapplied capital receipts and shown on the balance sheet under the heading Fund Balances at the end of the year.

The amount of $415,318,000 for General Municipal Activities is made up of the related net debenture debt outstanding together with the outstanding liability owing to the Ministry of the Environment for the Metropolitan Corporation's share of the cost of constructing the Lakeview Sewage Treatment Plant, etc., an interest free loan from the Province in respect to the Exhibition Stadium and lease purchase agreements in respect of Police computers and Animal Domain Ride Vehicles at the Metropolitan Toronto Zoo.

The capital outlay to be recovered in future years classified as Metropolitan Waterworks System, Toronto Transit Commission and Metropolitan Toronto School Board has been stated at the amount of the related outstanding net debenture debt.

TEMPORARY LOANS - REVENUE FUND - $7,687,000 (1982 - $3,700,000)
- CAPITAL FUNDS $ NIL (1982 - $1,819,000)

The amount of $7,687,000 is made up as follows:

Deposits with the Metropolitan Treasurer made by:		
O'Keefe Centre	$1,468,000	
Board of Governors of Exhibition Place	2,200,000	$3,668,000
Bank overdraft		4,019,000
		$7,687,000

The deposits of $3,668,000 were repaid by May 1984. The bank overdraft of $4,019,000 resulted from the issuance of a number of cheques during December 1983 which were covered by bank transfers made early in 1984.

As provided in Section 222 of the Municipality of Metropolitan Toronto Act, the Metropolitan Council may, by by-law, authorize the Chairman and the Treasurer of the Corporation to borrow by way of promissory notes such sums as the Metropolitan Council may deem necessary to meet the current expenditures of the Corporation pending the receipt of current levies, up to a maximum of 70% of the estimated revenue of the Corporation for the current year. Any excess borrowing over 70% may be made only with the approval of the Municipal Board.

The Metropolitan Council by By-law 1-83 authorized the Chairman and Treasurer to borrow by way of promissory note from time to time a sum or sums not exceeding in all the sum of $300,000,000 until the levies on the area municipalities for the year 1983 were received.

The actual individual loans totalled $298,400,000 which were well within the statutory limitation. All the loans were repaid before the end of the year.

ACCOUNTS PAYABLE AND ACCRUED LIABILITIES - $185,120,000
(1982 - $174,101,000)

This is made up as follows (after elimination of interfund balances):

	Revenue Fund	Capital Fund	Reserve Fund	Total
Canada	$ 13,099,000	$ 10,000	$	$
Ontario	7,670,000	4,000		
Area Municipalities:				
East York	232,000	325,000		
Etobicoke	87,000	24,000		
North York	135,000			
Scarborough	241,000	141,000		
Toronto	5,914,000	1,112,000		
York	93,000	320,000		
Other Municipalities	117,000			
Local Boards and Enterprises:				
Metropolitan Toronto School Board	34,788,000			
Toronto Transit Commission	20,521,000	19,798,000		
Trust Funds	421,000	100,000	4,000	
Board of Governors of Exhibition Place	192,000	16,000		
O'Keefe Centre	570,000		1,000	
Metropolitan Toronto Housing Co., Ltd.	187,000		47,000	
Metropolitan Toronto Zoo	763,000	23,000		
Metropolitan Waterworks System	15,802,000		16,000	
Sundry creditors	39,282,000	22,916,000	149,000	
	$140,114,000	$ 44,789,000	$217,000	$185,120,000

OTHER CURRENT LIABILITIES - $13,051,000 (1982 - $9,936,000)

This amount is made up of the following items in the Revenue Fund:

Surplus sinking fund monies	$ 11,470,000
Prepaid licences	419,000
C.O.E.D. program subsidy applicable to 1984	399,000
Ambulance subsidy applicable to 1984	576,000
Sundry revenue applicable to 1984	187,000
	$ 13,051,000

LONG TERM PAYABLES - $11,138,000 (1982 - $NIL)

In connection with the purchase of the Keele Valley landfill site approved by the Metropolitan Council on March 15, 1983, the purchase agreement provided for an amount of $10,000,000 to be withheld from the purchase price for a period up to six years, to be paid with interest when specified conditions are met. This amount, together with interest amounting to $1,138,000, has been shown as a long term payable.

NET LONG TERM LIABILITIES - $700,827,000 (1982 - $737,245,000)

This is made up of the following items in the Metropolitan Capital Fund:

Instalment Debentures assumed from the Town of Pickering and the City of Mississauga	$ 787,000
Instalment Debentures issued by the Metropolitan Corporation for Metropolitan purposes	381,212,000
Sinking Fund Debentures issued by the Metropolitan Corporation for Metropolitan purposes	305,141,000
Long term debt owing to the Ministry of the Environment	1,362,000
Long term debt owing to the Province of Ontario re Stadium Expansion	8,104,000
Lease-purchase agreement re Animal Domain Ride Vehicles at the Metropolitan Toronto Zoo	3,417,000
Lease-purchase agreement re police computers	804,000
	$700,827,000

The net long term liabilities of $700,827,000 are classified as follows:

General			
Instalment debentures assumed from City of Mississauga		$ 627,000	
Instalment debentures issued by the Metropolitan Corporation		160,348,000	
Sinking Fund debentures issued by the Metropolitan Corporation	$521,071,000		
Actual Sinking Fund	(280,470,000)	240,601,000	
Sinking Fund debentures assumed from City of Mississauga	66,000		
Actual Sinking Fund	(11,000)	55,000	
Long term debt owing to the Ministry of the Environment re Lakeview Sewage Treatment Plant		1,362,000	
Loan term loan owing to the Province of Ontario re Exhibition Stadium Expansion		8,104,000	
Lease-purchase agreement re Animal Domain Ride Vehicles		3,417,000	
Lease-purchase agreement re police computers		804,000	$415,318,000
Schools			
Instalment debentures assumed from the Town of Pickering		105,000	
Instalment debentures issued by the Metropolitan Corporation		175,768,000	
Sinking Fund debentures issued by the Metropolitan Corporation	53,335,000		
Actual Sinking Fund	(53,335,000)		175,873,000
Carried Forward			$591,191,000

Brought Forward			$591,191,000
Toronto Transit Commission			
Instalment debentures issued by the Metropolitan Corporation		$ 19,043,000	
Sinking Fund debentures issued by the Metropolitan Corporation	$ 20,084,000		
Actual Sinking Fund	(15,419,000)	4,665,000	23,708,000
Waterworks			
Instalment debentures issued by the Metropolitan Corporation		26,053,000	
Sinking Fund debentures issued by the Metropolitan Corporation	158,915,000		
Actual Sinking Fund	(99,040,000)	59,875,000	85,928,000
			$700,827,000

The gross long term liabilities inclusive of an interest free loan and capital leases for which the Municipality of Metropolitan Toronto is responsible amount to $1,149,405,000. A reconciliation of this amount with the net long term liabilities set out above is included in Note 6(c) to the Financial Statements.

Terminating agreements to be effective June 17, 1969, covering the discharge or assumption by the Ministry of the Environment of existing debt in respect of the Metropolitan Corporation equity in the Lakeview Sewage Treatment Plant and extensions, have not been finalized as of the date of this report but an amount of $2,690,000 has been received on account of the settlement.

As set out in an agreement dated February 22, 1979 between the Province of Ontario and the Municipality of Metropolitan Toronto, the Province agreed to provide an interest-free loan to a maximum of $8,513,000 in connection with the expansion of the C.N.E. Stadium. Repayment of this loan is based on one-half of the excess of the profit earned by the Stadium Corporation in 1979 and each year thereafter over the year 1975.

RESERVES - $32,056,000 (1982 - $69,505,000)

Details of the reserves are set out in the Analysis of Reserves and Reserve Funds and in Note 12 to the Financial Statements. The reduction in reserves resulted from the transfer of approximately $23,000,000 from the Capital Financing Stabilization Reserve to finance capital expenditure in accordance with the procedure approved by the Metropolitan Council on April 24, 1981. In addition, an amount of $7,500,000 was transferred from the Capital Financing Stabilization Reserve to sundry revenue. Similarly, the Reserve for Capital Facilities was closed out and $5,000,000 was transferred to sundry revenue. I comment on the reserves set out in the Analysis of Reserves and Reserve Funds.

Exchange Stabilization - $2,360,000 (1982 - $2,360,000)

The exchange stabilization reserve was established to provide for unanticipated exchange costs. During 1983 the reserve was not charged with any exchange costs.

Equipment Replacement - $2,465,000 (1982 - $2,722,000)

The Metropolitan Council at its meeting held on March 9, 1971 authorized the establishment of a reserve account to provide for the replacement and maintenance of Roads and Traffic Department equipment.

Funds are placed to the credit of this account by means of a charge to expense accounts when equipment is used. The charge is based on hourly rates which are approved by the Ministry of Transportation and Communication for purposes of calculating the Highway subsidy.

Expenditures for the acquisition of new equipment and for maintenance are charged to the reserve account.

The Metropolitan Council at its meeting held on April 25, 1980 authorized the establishment of a reserve account to provide for the replacement of equipment in the Refuse Disposal Division of the Works Department. Funds are provided through a charge to expense based on a usage rate. Expenditures for replacement equipment only are charged to the reserve.

An analysis of these reserves for 1983 is as follows:

	Roads and Traffic Department	Works Department	Total
Balance, January 1, 1983	$ 266,000	$2,456,000	
Add:			
Transfers from expense accounts being the hourly charges for equipment used	2,201,000	1,901,000	
	2,467,000	4,357,000	
Less:			
Cost of new equipment and maintenance	1,965,000	2,394,000	
Balance, December 31, 1983	$ 502,000	$1,963,000	$2,465,000

Construction of Convention Centre - $6,543,000 (1982 - $13,500,000)

The Metropolitan Council on April 11, 1980 authorized the establishment of a reserve to provide for the Metropolitan Corporation's contribution of $13,500,000 toward the cost of a Convention Centre. Specific amounts were to be provided to the reserve in each of the years 1980 to 1983 and interest was to be credited to the reserve and were to be available to reduce the amount required in 1983. The total amount of $13,500,000 including interest was accumulated by the end of 1982 and expenditures amounting to $6,957,000 were made in 1983 leaving a balance of $6,543,000 at the end of the year.

Emergency Response Facility - $1,175,000 (1982 - $1,000,000)

The Metropolitan Council on April 24, 1981 approved a Reserve for Emergency Response Facility to provide for certain costs of this facility. A further $175,000 was provided in 1983. No expenditures have yet been made.

Additional Sick Pay Liability - Police Commission - $1,158,000 (1982 -$404,000)

This reserve was established to comply with the 1982 Police Association Uniform Collective Agreement. The purpose of the reserve is to provide certain additional sick pay benefits to members of the Association whose regular sick leave credits have been exhausted. Contributions to the reserve consisting of, $576,000 being 1/3% of the regular payroll, $130,000 being the amount the members would receive as an Unemployment Insurance rebate, plus related interest and $171,000 being the amount by which the employer's contribution to Unemployment Insurance costs was reduced were credited to the reserve in 1983. Payments of $123,000 were made to employees, leaving a balance of $1,158,000 at the end of the year.

Acquisition of Parklands - $1,000,000 (1982 - $1,000,000)

Nothing further was provided and no expenditures were made in 1983.

Debenture Interest Accrual - $7,650,000 (1982 - $3,825,000)

The Metropolitan Council on April 23, 1982 authorized the establishment of a reserve to provide for the conversion in 1985 to a full accrual for debenture interest from the date of the last coupon due in the year to the end of the year in compliance with the Municipal Financial Reporting Handbook published by the Ministry of Municipal Affairs and Housing. In 1983, a further $3,825,000 was provided for this reserve.

Metro Capital Facilities - $NIL (1982 - $5,000,000)

The Metropolitan Council on April 23, 1982 provided $5,000,000 to establish this reserve. When the 1983 budget was adopted by Council it was recommended that this reserve be discontinued as the net capital expenditure targets include a contingency provision for such facilities.

Capital Financing Stabilizing - $9,616,000 (1982 - $39,694,000)

The Metropolitan Council on April 24, 1981 recommended the establishment of this reserve for the purpose of stabilizing the contribution of the revenue fund towards capital expenditure at a level no greater than 50 per cent of the actual net capital financing requirements for the year.

During 1983, capital projects were financed in the amount of $22,578,000 out of this reserve and an amount of $7,500,000 was transferred to sundry revenue.

Canadian National Exhibition Association Vested Reserves - $89,000 (1982 - $NIL)

In accordance with the Municipality of Metropolitan Toronto Act the following reserves of the Canadian National Exhibition Association became vested in 1983 in the Metropolitan Corporation:

Reserve for Workers' Compensation	$15,000
Reserve for inventory of materials and supplies	59,000
Reserve for repairs, etc., to British Columbia Road	15,000
	$89,000

No expenditures have been made. In my view, there is little reason to maintain these reserves and the amounts should be taken into revenue.

Reserve Funds - $14,068,000 (1982 - $11,149,000)

I comment on the Reserve Funds set out in the Analysis of Reserves and Reserve Funds.

Contingencies Reserve Fund - Ministry of the Environment - $115,000
(1982 - $111,000)

Pursuant to the terms of agreements dated June 6, 1960 and February 24, 1966, the Metropolitan Corporation is required to pay to the Ministry of the Environment annually an amount calculated at 70% of 1½% of the cost of the Lakeview Sewage Treatment Plant, such amount to be placed by the Ministry to the credit of a reserve account for renewals, replacements and contingencies.

O'Keefe Centre Capital Improvement and Rehabilitation Reserve Fund - $133,000
(1982 - $180,000)

The Metropolitan Council approved on October 7, 1980 the establishment of a reserve fund for major renovation and improvements of the O'Keefe Centre. Revenue generated by the Centre through a 50 cent surcharge on tickets sold in excess of $5.00 (or a flat user fee where no tickets are sold) is transferred by the Centre for credit to this fund. For 1981, and subsequent years, this fund is to be used, together with further contributions from general Metropolitan funds, for major renovation and capital improvements of the Centre.

An analysis of this reserve fund for 1983 is as follows:

Balance, January 1, 1983		$180,000
Contributions from the Metropolitan Revenue Fund (from user fee revenue)	$249,000	
Interest earned on investments	24,000	273,000
		453,000
Less: Contribution to the Metropolitan Capital Fund to offset the cost of major renovation and improvements		320,000
Balance, December 31, 1983		$133,000

Exhibition Stadium Corporation - Capital Improvements Reserve Fund - $449,000 (1982 - $48,000)

The Metropolitan Council, at a meeting held on April 15, 1977, approved the establishment of a reserve fund pursuant to Section 221 of the Municipality of Metropolitan Toronto Act. The fund is to be accumulated through the imposition of a user fee of 25¢ per admission ticket for admissions to the Exhibition Stadium in excess of $2.00. It is to be used first to pay for debt servicing related to the rehabilitation of the North Grandstand and any remainder to pay for future capital improvements. No debentures have yet been issued for this purpose. An analysis of this reserve fund for 1983 is as as follows:

Balance, January 1, 1983			$ 48,000
Add:	Contributions from the Metropolitan Revenue Fund (from user fee revenue)	$584,000	
	Interest earned on investments	9,000	593,000
			641,000
Less:	Interest on construction costs temporarily financed by the Metropolitan Corporation	18,000	
	Transfers to the Metropolitan Capital Fund in lieu of financing	174,000	192,000
Balance, December 31, 1983			$449,000

Insurance Reserve Fund - $749,000 (1982 - $731,000)

Pursuant to the authority set out in Section 221 of the Municipality of Metropolitan Toronto Act, the Metropolitan Council on April 16, 1971, approved the establishment of a reserve fund to pay certain losses arising from deductible provisions in insurance contracts.

An analysis of this Fund for 1983 is as follows:

Balance, January 1, 1983			$ 731,000
Add: Funds transferred from the Metropolitan Corporation, its local boards and agencies			500,000
Interest earned on investments			92,000
Recoveries from insurers and others			37,000
			1,360,000
Less: Expenditures for claims submitted by:			
Metropolitan Corporation and sundry claimants	$ 345,000		
Waterworks System	55,000		
Board of Governors of Exhibition Place	8,000		
Metropolitan Toronto Housing Company Limited			70,000
Metropolitan Toronto Zoo	1,000		
Adjusters' and legal fees	132,000		611,000
Balance, December 31, 1983			$ 749,000

All monies of the fund were deposited in a chartered bank and withdrawals were made by cheques, signed by properly authorized signing officers of the Metropolitan Corporation.

Corporate Sick Pay Liability Reserve Fund - $12,428,000 (1982 - $10,079,000)

As set out in Note 10 to the Financial Statements, under the Sick Leave Benefit Plan, unused sick leave can accumulate and employees may become entitled to a cash payment when they leave the employ of the municipality.

In order to reduce the impact of future claims for Sick Pay benefits, the Metropolitan Council approved the establishment of a reserve for accumulated Sick Pay credits. Commencing in 1982, a reserve fund was established to cover payouts to employees of the Metropolitan Corporation, the Metropolitan Waterworks System and the Metropolitan Toronto Housing Company Limited and the amounts in the existing reserves were transferred to it. The proposed spending guidelines provide for actuarially determined contributions to offset expected payouts over a given period of time.

A summary of the transactions in this fund for 1983 is as follows:

Balance, December 31, 1982		$10,079,000
Contributions by:		
The Metropolitan Corporation	$3,649,000	
Reserve for replacement of equipment	4,000	
The Metropolitan Water Supply System	201,000	
The Metropolitan Toronto Housing Company, Limited	47,000	3,901,000
Interest earned on investments		1,200,000
		15,180,000
Less sick pay grants paid or payable		2,752,000
Balance, December 31, 1983		$12,428,000

The contingent liability for accumulated sick leave to the extent it has vested and could be taken in cash by employees on termination amounted to $60,166,000 as at December 31, 1983.

Regent Park Community Centre - $44,000 (1982 - $NIL)

In 1983, the Metropolitan Council authorized that a grant of $40,000 be made to the Regent Park Residents' Association for the purpose of making a contribution to a trust fund established to provide operating funds for a community centre. The grant is to be retained by the Metropolitan Corporation in a reserve fund until July 1, 1985 but the fund may be released upon completion of the community centre, if completion occurs prior to July 1, 1985. Any unspent balance remaining is to be taken in as revenue of the Metropolitan Corporation. The grant of $40,000 was transferred to the reserve fund in 1983 and interest of $4,000 was allowed on the balance.

Canadian National Exhibition Association Vested Reserve Fund - $150,000 (1982 - $NIL)

In addition to reserves of the Canadian National Exhibition Association which became vested in the Metropolitan Corporation, mentioned on page 22, the Prize Guarantee Reserve Fund also became vested in the Corporation. It is represented by investments having a book value of $150,000. I have examined these investments and found them to be in order.

Statement of Operations

The consolidated statement of operations discloses the sources of financing for the Revenue Fund, the Capital Fund and the Reserve Funds and the application of this financing to current operations, including the Corporation's Reserves and Reserve Funds and separately, the application of funds for capital purposes. For clarity, schedules have also been prepared to show separately the current and capital operations of the municipality and the activity in the reserves and reserve funds.

In order to give a meaningful comparison, the expenditures have been shown on the Analysis of Current Operations in the same format as the budget which was adopted by Council.

ANALYSIS OF CURRENT OPERATIONS

The analysis of current operations shows a surplus of $33,323,000 brought forward from 1982. Expenditures for general municipal purposes totalled $1,112,000,000, 2.97% less than the amount used for levy purposes and 1% greater than in 1982. Revenues were up over the previous year by 13% and exceeded the 1983 estimate by $5,000,000. Together, these factors contributed a surplus of $39,329,000 to be carried forward and applied against the 1984 levy.

COMMENTS ON REVENUE ITEMS

REQUISITION ON LOCAL MUNICIPALITIES - $1,552,708,000
(1982 - $1,400,935,000)

This is made up as follows:

	Levy for General Purposes	Share of Supplementary Taxes Less Current Year Deficiencies	Levy for School Purposes Incl. Share of Suppl. Taxes	Total
East York	$ 17,417,000	$ 101,000	$ 35,280,000	$ 52,798,000
Etobicoke	80,190,000	1,280,000	146,235,000	227,705,000
North York	125,545,000	1,970,000	234,074,000	361,589,000
Scarborough	77,544,000	984,000	151,537,000	230,065,000
York	18,941,000	228,000	37,037,000	56,206,000
Toronto	218,053,000	5,397,000	400,895,000	624,345,000
	$537,690,000	$ 9,960,000	$1,005,058,000	$1,552,708,000

The Metropolitan Council by By-law 75-83 levied the sum of $537,690,000 against the area municipalities in 1983 for general purposes in accordance with section 219 of the Municipality of Metropolitan Toronto Act and after making the reductions for the per capita grant for each municipality as set out in section 3 of the Ontario Unconditional Grants Act. By the same by-law the sum of $983,518,000 was levied for school purposes.

In accordance with section 34(3) of the Assessment Act, the Municipality of Metropolitan Toronto has been credited with its share of supplementary taxes levied by the area municipalities and the Metropolitan Toronto School Board has been credited with $21,540,000 as its share of suppplementary taxes.

USER CHARGES - $112,997,000 (1982 - $90,622,000)

User charges are made up of charges for services performed for and fees charged to local boards, area municipalities and sundry persons as follows:

Sewer surcharge:

East York	$ 1,774,000	
Etobicoke	6,896,000	
North York	9,961,000	
Scarborough	7,399,000	
York	2,097,000	
Toronto	16,949,000	$ 45,076,000

Other user charges:

Administrative charge to Waterworks	$ 2,798,000	
Licenses	3,566,000	
Rents, concessions	8,976,000	
Fees and service charges	16,202,000	
Incineration, land fill and transfer station fees	11,335,000	
Homes for the Aged residents' maintenance fees	18,009,000	
Day nursery fees	3,032,000	
Sundry	4,003,000	67,921,000
		$112,997,000

The Metropolitan Council by By-law 191-77 authorized a surcharge of 71.5% to the water rate effective January 1, 1983 for sewage purposes, such surcharge to be credited to the General Revenue of the Corporation in accordance with section 36 of the Municipality of Metropolitan Toronto Act.

GRANTS

GOVERNMENT OF CANADA - $2,065,000 (1982 - $56,000)

This is made up largely of grants received or receivable under the Canada Ontario Employment Development Programme.

PROVINCE OF ONTARIO - $397,939,000 (1982 - $351,688,000)

This is made up of the following grants and subsidies:

Ontario unconditional grants:

Per capita grant	$ 23,980,000	
Per capita policing	37,060,000	
Resource equalization	7,885,000	
General support	36,194,000	$105,119,000

Ontario specific grants (inclusive of Canada Ontario Employment Development Program):

Roadways	$ 13,187,000	
Transit	59,060,000	
Ambulance service	18,213,000	
General welfare assistance	131,516,000	
Assistance to aged persons	39,648,000	
Day nurseries	28,897,000	
Parks	1,110,000	
Environmental services	628,000	
Various planning studies	313,000	
Sundry grants	248,000	292,820,000
		$397,939,000

OTHER

INVESTMENT INCOME - $12,351,000 (1982 - $23,506,000)

Investment income is made up of $2,389,000 for interest on advances to the Metropolitan Toronto Housing Company Limited pending permanent financing, $250,000 for interest on advances to Metropolitan Local Boards and an area municipality, $9,143,000 for interest earned on cash invested for short periods with dealers and on fixed deposits in banks, $286,000 for interest on sale of land agreements and $283,000 sundry interest.

The decrease in investment income from that of 1982 is due largely to a lower rate of interest.

FINES - $22,716,000 (1982 - $21,185,000)

This amount is made up of $4,955,000 for fines arising out of contravention of municipal by-laws and $17,761,000 from parking violations.

OTHER - $22,541,000 (1982 - $8,529,000)

This is made up as follows:

Transfers from reserves	$ 12,500,00
Capital cost recoveries - Metropolitan Toronto Housing Company Limited	2,264,000
Adjustment re Ambulance inventory	404,000
Recovery of expenses	1,676,000
Sale of surplus property	832,000
Board of Governors Exhibition Place - surplus	2,315,000
O'Keefe Centre - surplus	738,000
Sundry	1,812,000
	$22,541,000

EXPENDITURES

GENERAL GOVERNMENT - $52,212,000 (1982 - $64,722,000)

This includes the expenses of administrative departments together with the Corporation's share of prior years' tax deficiencies - $11,602,000, interest on temporary financing - $5,590,000, provision for accrual of debenture interest - $3,825,000, and pension improvements - $4,241,000. The reduction in expenditure is largely accounted for by the fact that no provision was made in 1983 for the reserve for Metropolitan Capital Facilities nor for the reserve for capital financing stabilization.

PROTECTION TO PERSONS AND PROPERTY - $315,467,000
(1982 - $291,735,000)

This is made up as follows:

Expenses of the Police Force	$303,538,000
Share of annual levy of the Metropolitan and Region Conservation Authority and related expenditures	7,400,000
Operating costs of the Licensing Commission	3,944,000
Provision for Reserve for Emergency Response Facility	175,000
Cost of Metropolitan Police Force complaints project	410,000
	$315,467,000

TRANSPORTATION SERVICES - $200,526,000 (1982 - $184,621,000)

This is made up as follows:

Expenditures for roadway maintenance, snow clearing, lighting major roads, etc.		$ 67,227,000
Parking control officers and parking tag processing costs		3,991,000
Transit expenditures -		
Share of Toronto Transit Commission operating deficit for 1983	$103,704,000	
Remuneration of Toronto Transit Commissioners	63,000	
Debt charges on long term loans	10,530,000	
Capital expenditures out of current funds	14,631,000	
Lease of commuter parking lots	336,000	129,264,000
Harbour Commission re cleaning harbour		44,000
		$200,526,000

ENVIRONMENTAL SERVICES - $121,423,000 (1982 - $104,768,000)

This includes the costs relating to the sanitary sewer system, $76,461,000, the storm sewer system, $24,000, refuse disposal, $42,390,000 and administrative costs re the water supply system, $2,548,000. The increase in expenditure over that of 1982 is due largely to capital expenditures which were financed out of current funds.

HEALTH SERVICES - $34,372,000 (1982 - $30,152,000)

This is made up as follows:

Debt charges on long term loans re Riverdale Hospital	$ 3,000
Grants to various health organizations	44,000
Grants to public hospitals for construction	1,260,000
Cost of Ambulance Service Department	33,065,000
	$ 34,372,000

The cost of the Ambulance Service Department increased by $3,795,000 in 1983 due largely to higher salary and fringe benefit costs. The total cost of ambulance services of $33,065,000 in 1983 was subsidized by an estimated amount of $18,213,000 in 1983 by the Province of Ontario as set out on page 30, leaving approximately $14,852,000 to be met out of the general levy.

SOCIAL AND FAMILY SERVICES - $322,282,000 (1982 - $203,980,000)

This is made up of:

Assistance to Aged	$ 85,182,000
Assistance to Children	13,185,000
Day nurseries	39,096,000
General Welfare Assistance	184,819,000
	$322,282,000

RECREATION AND CULTURAL SERVICES - $60,838,000
(1982 - $57,936,000)

This is made up as follows:

Costs relating to Parks and Recreation		$25,532,000
Libraries:		
Amount paid to Metropolitan Toronto Library Board	$13,137,000	
Debt charges on long term loans	3,941,000	
Capital expenditures out of current funds	40,000	17,118,000
Metropolitan Toronto Zoo -		
Amount provided to the Board of Management of the Metropolitan Toronto Zoo for operations	5,917,000	
Debt charges on long term loans	5,070,000	
Capital expenditures out of current funds	253,000	
Transfer of Ontario Employment Incentive Program grant to Metropolitan Toronto Zoo	15,000	11,255,000
O'Keefe Centre for the Performing Arts -		
Provision for O'Keefe Centre Capital Improvement and Rehabilitation Reserve Fund	249,000	
Debt charges on long term loans	27,000	
Capital expenditures out of current funds	960,000	
Transfer of Ontario Employment Incentive Program grant to O'Keefe Centre	69,000	1,305,000
Grant to Roy Thompson Hall		500,000
Grant to Royal Ontario Museum		850,000
Grants to other cultural organizations		4,278,000
		$60,838,000

PLANNING AND DEVELOPMENT - $5,133,000 (1982 - $8,487,000)

This includes $2,877,000 for the cost of operating the Metropolitan Toronto Planning Department, $1,096,000 for grants to the Metropolitan Toronto Convention and Visitors' Association and $657,000 in connection with urban renewal and moderate rental housing projects. In 1983, there was no provision for the Reserve for Convention Centre and this largely accounts for the reduction in expenditure.

ANALYSIS OF CAPITAL OPERATIONS

The analysis of capital operations reflects expenditures on items or projects of a capital nature together with the sources of funding of such expenditures. Except to the extent of the $55,309,000 contribution from the Revenue Fund, expenditures have not been charged against the 1983 tax levy.

The analysis itself is largely self-explanatory, however, certain items of revenue merit further comment.

The contribution of $55,309,000 from the Revenue Fund is made up as follows:

Acquisition of equipment and furniture	$ 8,559,000
O'Keefe Centre renovations	960,000
Five Mill levy provided to finance capital works	42,676,000
Building construction grants financed by the revenue fund	2,610,000
Ambulance depot acquisition	485,000
Other	19,000
	$55,309,000

The Metropolitan Council at its meeting held on April 29, 1983 approved the inclusion of $42,676,000 in the budget for 1983 being a 5 mill levy to finance capital works. A policy adopted by Council on April 24, 1981 stated that such financing would be at a level no greater than 50% of the actual net capital financing requirement for the year and that the difference between the 5 mill levy and 50% of the net capital financing requirement would be transferred into or from a reserve created for that purpose.

In 1983, the entire amount of $42,676,000 was used to finance capital works and in addition $22,578,000 was transferred from the reserve.

Other capital financing of $20,879,000 consists of the following:

Canada grants	$ 461,000
Surplus Sinking Fund monies	8,694,000
Proceeds from sale of properties	5,599,000
Rental of properties	1,179,000
Canadian National Railways contribution	249,000
Contribution by others for cost of work done	4,617,000
Sundry	80,000
	$20,879,000

Statement of Continuity of Trust Funds

In summary the values of the funds are as follows:

Homes for the Aged Trust Fund	$13,688,000
Money deposited in trust with the Metropolitan Corporation by the Metropolitan Toronto Public Utilities Co-ordinating Committee	116,000
Money collected at Edwards Gardens "Wishing Fountain" deposited in trust with the Metropolitan Corporation	1,000
Transient Traders' Licence Fees	4,000
Keele Valley small claims deposit	100,000
Community Services Department donations	47,000
Scarborough Beare Road Ski Facilities	1,977,000
Police Commission Trust Funds	192,000
Thackeray Landfill Restoration Fund	62,000
Metropolitan Municipalities Liability Trust	49,000
Security Deposits and Bonds	34,000
General Damages re employees	244,000
Bequest from the Estate of Velma E. Francis	27,000
Bequest from the Estate of Henry Jackman	63,000
	$16,604,000

The following comments explain the use and major content of each of the funds where it is not self-evident.

HOMES FOR THE AGED TRUST FUND

The Community Services Department acts as trustee for cash, bonds, stocks and mortgages held on behalf of residents of the Homes for the Aged. The total value of the funds administered at the end of 1983 was $13,688,000.

Money belonging to the residents is deposited in a bank and payments out are made at the request of or on behalf of the residents. Bonds, securities and stocks are valued at market value on December 31, 1983. During 1983, interest amounting to $1,100,000 (1982 - $1,500,000) was credited to residents, calculated on the cash balance in the residents' trust account.

METROPOLITAN TORONTO PUBLIC UTILITIES CO-ORDINATING COMMITTEE

A trust account for the Committee is maintained by the Metropolitan Treasurer in the books of the Metropolitan Corporation. Money received from time to time from the Committee is credited to this account.

Cash in excess of immediate requirements of $116,000 was placed in short term investments maturing in 1984.

COMMUNITY SERVICES DEPARTMENT DONATIONS

Donations are received from time to time from individuals and companies which are designated for use by Homes for the Aged or other purposes. During 1983, $31,000 was received and credited to this account and $36,000 was disbursed.

SCARBOROUGH BEARE ROAD SKI FACILITIES

An agreement dated October 22, 1974 between the Municipality of Metropolitan Toronto and the now City of Scarborough provides, among other things, that $750,000 be deposited in the name of the Municipality of Metropolitan Toronto with a Chartered Bank of Canada and that this amount and any interest accruing thereon be held in trust for the benefit of the City in connection with the construction of a ski facility by the City at the Beare Road Landfill Site.

Interest of $208,000 was earned during the year and credited to the fund.

POLICE COMMISSION TRUST FUNDS

A number of funds, as set out below, are maintained by the Police Commission for police purposes. Monies are received and credited to the fund accounts and disbursements are made by the Commission. Except for the Library Fund, the net revenue is transferred to the Metropolitan Corporation.

The trust funds are as follows:

Surety Fund	$ 14,000
Collection against Warrants of Commitment Fund	8,000
Special Fund	169,000
Police College Library Fund	1,000
	$192,000

I have audited these funds and issued my report dated February 13, 1984 to the Police Commission.

THACKERAY LANDFILL RESTORATION FUND

A 1979 agreement between the Metropolitan Corporation and the Metropolitan Toronto and Region Conservation Authority requires the Metropolitan Corporation to establish a fund in the amount of $135,000 which with interest earned thereon is to be used to restore the South Thackeray Landfill Site to a passive recreation and wildlife area. All amounts and investments remaining in the fund on completion of the project or ten years from the date of the agreement are to revert to the Metropolitan Corporation. An analysis of this Fund for 1983 is as follows:

Balance, January 1, 1983	$114,000
Add: Interest earned on investments	4,000
	118,000
Less: Payment to Metropolitan Toronto and Region Conservation Authority	56,000
Balance, December 31, 1983	$ 62,000

METROPOLITAN MUNICIPALITIES LIABILITY TRUST

The Metropolitan Council at its meeting held on November 20, 1979 agreed to a proposal to participate in liability self insurance with the City of Toronto and the then Borough of Etobicoke and the Borough of East York. According to the terms of an agreement effective January 1, 1980 the participants are required to contribute an annually agreed upon amount to the fund out of which claims are paid up to the amount of the self insurance clauses contained in various insurance policies. Withdrawal from the fund is allowed at any time, the withdrawing participant being entitled to a share of the surplus in the fund in the same ratio as contributions made to the fund.

An analysis of this Fund for 1983 is as follows:

Balance, January 1, 1983		$ 390,000
Contributions		1,220,000
Recoveries from insurers, etc.		30,000
Interest earned		98,000
		1,738,000
Less: Claims charged to the Fund		1,689,000
Balance, December 31, 1983:		
The Metropolitan Corporation	$32,000	
Borough of East York	1,000	
City of Etobicoke	4,000	
City of Toronto	12,000	$ 49,000

GENERAL DAMAGES RE EMPLOYEES

This account is credited with settlements of accident claims received by the Corporation where an amount has been provided to cover future Workers' Compensation costs. The Balance on hand was $244,000 at December 31, 1983.

BEQUESTS

From time to time, the Metropolitan Corporation receives bequests of monies usually to be used for a stated purpose.

As at December 31, 1983, the unexpended balance of the bequest of Velma E. Francis to be used for Castleview-Wychwood Towers amounted to $27,000 and the balance of the bequest of H.R. Jackman to be used for a monument amounted to $63,000.

General Comments

1. No amount is shown on the Balance Sheet for fixed assets which have been acquired other than through debenture issue, but memorandum records are being maintained for plant, furniture and equipment acquired during the year and charged as an expense of the year. At the end of each year a physical inventory is taken of such assets by the department concerned and agreed with the memorandum account.

2. Section 238 of the Municipality of Metropolitan Toronto Act provides that monies received by the Metropolitan Corporation from the sale or hypothecation of any debentures shall be used only for the purposes for which the debentures were issued and shall not be applied towards payment of the current or other expenditures of the Metropolitan Corporation. Section 38 of the same Act provides that the Metropolitan Council shall keep separate books and accounts of the revenues, expenditures, assets and liabilities of its Waterworks in such manner as may be prescribed by the Ministry of Municipal Affairs and Housing.

   For convenience, the bank accounts of the Metropolitan Corporation other than for the Reserve Funds, do not record separately the monies on deposit applicable to the capital debenture funds, the Waterworks or the Trust Funds other than for the Homes for the Aged, Thackeray Landfill Restoration, Scarborough Beare Road Ski Facility, Metropolitan Municipalities Liability Trust and Police Funds and all monies are deposited in the Revenue Fund bank accounts of the Corporation from which disbursements are made for all

purposes. The Metropolitan Treasurer, by a system of interfund accounting between Capital and Revenue Fund accounts and by a further analysis of some of the accounts at the year end, is in a position to determine the relationship between the accounts of the Revenue Fund, Capital Fund, Waterworks, and Trust funds.

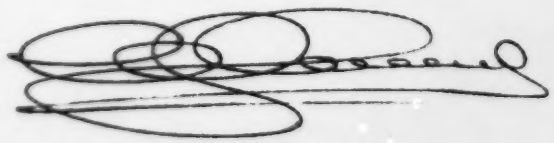
3. As set out in Section 24(1) of the Municipality of Metropolitan Toronto Act, Section 94 of the Municipal Act applies to the Metropolitan Corporation. This section of the Municipal Act requires the treasurer, and every other officer of the corporation as the council may require, to give such security as the council directs for the faithful performance of their duties.

   The bonding of Metropolitan employees was reported to the Metropolitan Council on February 15, 1983 and I have examined the surety bond referred to, which in my opinion provides adequate coverage.

4. Fidelity, public liability, fire, explosion, and boiler insurance is carried by the Metropolitan Corporation. I have examined all the insurance policies carried by the Metropolitan Corporation and have satisifed myself that the interest of the Municipality is protected in every case. The coverage was determined with the advice of an Insurance Consultant and appears to be sufficiently comprehensive and satisfactory.

Conclusion

I have reported separately to the Metropolitan Council on the financial statements and this report is contained on the following page.



METROPOLITAN AUDITOR

The Municipality of
Metropolitan Toronto

Metropolitan Audit Department

12th Floor, 365 Bay Street
Toronto, Ontario, Canada M5H 2V1
Telephone: (416) 947-8030

Allan G. Andrews, C.A., *Metropolitan Auditor*

July 16, 1984

AUDITOR'S REPORT

**The Chairman and Members of the
Metropolitan Council of the
Municipality of Metropolitan Toronto**

I have examined the balance sheet of the Municipality of Metropolitan Toronto as at December 31, 1983 and the statement of operations for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Municipality as at December 31, 1983 and the results of its operations for the year then ended in accordance with generally accepted accounting principles for Ontario municipalities applied, after giving retroactive effect to the changes in accounting policy as explained in Note 15 to the financial statements on a basis consistent with that of the preceding year.

METROPOLITAN AUDITOR

THE MUNICIPALITY OF METROPOLITAN TORONTO

BALANCE SHEET

AS AT DECEMBER 31, 1983

(in thousands of dollars)

	1982	1983
ASSETS		
Unrestricted		
Cash	$ 1,280	$ 3,318
Investments (note 5)	155,707	103,825
User charges receivable	13,977	21,838
Accounts receivable (note 13)	143,495	160,932
Other current assets	9,973	11,855
Long term receivables	1,996	1,537
	326,428	303,305
Restricted		
Cash	181	614
Investments (note 5)	11,028	13,364
Accounts receivable	53	309
Other current assets	110	116
	11,372	14,403
Capital outlay financed by long term liabilities and to be recovered in future years (notes 3, 6)	737,245	700,827
	$1,075,045	$1,018,535
LIABILITIES		
Temporary loans	$ 5,519	$ 7,687
Accounts payable and accrued liabilities (notes 8, 9, 10)	174,101	185,120
Other current liabilities (note 13)	9,936	13,051
	189,556	205,858
Long term payables		11,138
Net long term liabilities (note 6)	737,245	700,827
FUND BALANCES AT THE END OF THE YEAR		
To be used to offset taxation or user charges in 1984	33,323	39,329
Unexpended capital financing	34,267	15,259
Reserves (note 12)	69,505	32,056
Reserve funds (note 12)	11,149	14,068
	$1,075,045	$1,018,535

(see accompanying notes)

THE MUNICIPALITY OF METROPOLITAN TORONTO

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 1983

(in thousands of dollars)

	1982	1983
SOURCES OF FINANCING:		
Taxation and user charges		
Requisition on local municipalities	$1,400,935	$1,552,708
User charges	91,122	118,863
Less: School board requisition	(907,773)	(1,005,058)
	584,284	666,513
Grants		
Government of Canada	723	2,526
Province of Ontario	434,435	513,065
	435,158	515,591
Other		
Investment income	26,662	13,662
Sale of land	5,040	5,599
Fines	21,185	22,716
Other	17,843	18,993
	70,730	60,970
Proceeds from the issue of long term liabilities	10,007	37,552
Net appropriations from reserves and reserve funds		34,530
MUNICIPAL FUND BALANCES AT THE BEGINNING OF THE YEAR		
To be used to offset taxation or user charges	48,796	33,323
Unexpended capital financing	65,730	34,267
	114,526	67,590
Total financing available during the year	$1,214,705	$1,382,746

	1982	1983
APPLIED TO:		
Current operations		
General government	$ 40,819	$ 47,870
Protection to persons and property	302,666	304,696
Transportation services	170,133	181,414
Environmental services	92,417	101,704
Health services	28,082	31,282
Social and family services	259,414	320,093
Recreation and cultural services	52,446	55,718
Planning and development	5,448	12,058
	951,425	1,054,835
Capital		
General government	623	408
Protection to persons and property	5,140	21,320
Transportation services	106,277	163,497
Environmental services	26,031	69,520
Health services	2,649	2,822
Social and family services	5,302	6,845
Recreation and cultural services	8,443	8,890
Planning and development	25	21
	154,490	273,323
Net appropriations to reserves and reserve funds	91,200	
MUNICIPAL FUND BALANCES AT THE END OF THE YEAR		
To be used to offset taxation or user charges	33,323	39,329
Unexpended capital financing	34,267	15,259
	67,590	54,588
Total applications during the year	$1,214,705	$1,382,746

(see accompanying notes)

THE MUNICIPALITY OF METROPOLITAN TORONTO

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1983

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with accounting principles for municipalities in Ontario as required by the Ontario Ministry of Municipal Affairs and Housing and reflect the following policies as set forth in the Municipal Financial Reporting Handbook:

(a) Basis of Consolidation

(i) Statement of Operations

This statement reflects the sources of financing and expenditures of the revenue fund, reserves, reserve funds and the capital fund of the Municipality. Also included therein is

- the Metropolitan Education Levy requisitioned upon the Metropolitan area municipalities on behalf of the Metropolitan Toronto School Board

- the long term debt incurred on behalf of the Metropolitan Toronto Waterworks System together with the accompanying transfer of capital funds.

The operations of the following local boards are, because of their legal relationship to the Municipality and for administrative purposes, contained within the books of account of the Corporation and are accordingly included within these financial statements:

Metropolitan Board of Commissioners of Police
Metropolitan Licensing Commission

The following local boards and municipal enterprises of the Municipality are not consolidated in these financial statements:

Metropolitan Toronto Waterworks System
Metropolitan Toronto Library Board
Toronto Transit Commission
Gray Coach Lines, Limited
Board of Governors of Exhibition Place
Metropolitan Toronto Housing Company Limited
Board of Management of the O'Keefe Centre
Board of Management of the Metropolitan Toronto Zoo
Metropolitan Toronto School Board

(ii) Balance Sheet

This statement reflects the assets and liabilities of the revenue fund, reserve funds and capital fund of the Municipality, the Metropolitan Board of Commissioners of Police and the Metropolitan Licensing Commission.

(iii) Non-Consolidated Entities

For those local boards and municipal enterprises of the Municipality which are not consolidated, the Balance Sheet does not reflect their assets or liabilities except to the extent of the net long term liabilities issued by the Municipality on behalf of its municipal enterprises and the amounts due to or from those entities. The Statement of Operations does not reflect their revenues and expenditures except to the extent of the Municipality's contribution to those entities.

(iv) Trust Funds

Trust funds and their related operations administered by the Municipality are not consolidated, but are reported separately on the Trust Funds Statement of Continuity and the Trust Funds Balance Sheet.

(b) Basis of Accounting

(i) Charges for Long Term Liabilities

Sources of financing and expenditures are reported on the accrual basis of accounting with the exception of principal and interest charges on long term liabilities which are charged against operations in the periods in which they fall due. Interest and principal charges are not accrued for the periods from the latest due dates to the end of the financial year. It is the intention of Metropolitan Council to convert to a system of full accrual of debenture interest charges on January 1, 1985, and, to permit the phasing of the fiscal impact over intervening years, allocations are being made to a reserve established for this purpose.

(ii) Revenue and Expenditure Recognition

The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(iii) Capital Outlay Financed by Long Term Liabilities and to be Recovered in Future Years

The historical cost and accumulated depreciation of fixed assets are not reported for municipal purposes. Instead the "Capital outlay financed by long term liabilities and to be recovered in future years", which represents the outstanding principal portion of unmatured long term liabilities for municipal expenditures, the value of long term obligations arising out of capital leases entered into by the Municipality, and capital funds transferred to local boards and municipal enterprises of the Municipality, is reported on the Balance Sheet.

(iv) Liabilities Payable in Foreign Currencies

Long term debt payable in U.S. Funds has been converted into Canadian Funds at the exchange rates prevailing at the time the debt was incurred.

(v) Inventories

Inventories of supplies amounting to $3,369,000 (1982 - $2,873,000) and included in "Other Current Assets - Unrestricted" on the Balance Sheet are valued at cost of acquisition.

2. CONTRIBUTIONS TO UNCONSOLIDATED JOINT BOARDS

The assets and liabilities of The Metropolitan Toronto and Region Conservation Authority - an unconsolidated joint board of the Metropolitan Corporation - have not been consolidated and are not reported on the Balance Sheet, except to the extent of the long term liabilities to be recovered from general taxation.

The operations of The Metropolitan Toronto and Region Conservation Authority have also not been consolidated. The Statement of Operations includes only the following contributions made by the Municipality to the Authority:

	1983	1982
	(in thousands)	
- for current purposes	$3,236	$3,663
- for capital purposes	1,520	1,315

3. CAPITAL OUTLAY FINANCED BY LONG TERM LIABILITIES AND TO BE RECOVERED IN FUTURE YEARS

(a) Some capital outlay to be recovered in future years does not represent a burden on general municipal revenues as it is to be recovered either from revenue of the School Board or from the individual municipal enterprises as follows:

	1983	1982
	(in thousands)	
Metropolitan Toronto School Board	$175,873	$193,831
Metropolitan Toronto Waterworks System	85,928	96,323
Toronto Transit Commission	23,708	26,970

(b) Capital outlays, fixed asset purchases and transfers of capital funds totalling $55,309,000 (1982 - $38,149,000) which have been financed from general municipal revenues of the current year are reported on the Analysis of Current Operations.

4. TRUST FUNDS

Trust funds administered by the Municipality amounting to $16,604,000 (1982 - $16,157,000) have not been included in the Balance Sheet nor have their operations been included in the Statement of Operations.

5. INVESTMENTS

The unrestricted investments of $103,825,000 (1982 - $155,707,000) and restricted investments of $13,364,000 (1982 - $11,028,000) are recorded on the Balance Sheet at cost. The market value of these investments at the end of the year approximates book value.

6. NET LONG TERM LIABILITIES

(a) Debenture Debt

Under the provisions of the Municipality of Metropolitan Toronto Act, the Metropolitan Corporation has the sole responsibility for borrowing money for its own account, the accounts of its local boards and municipal enterprises, and for the accounts of its area municipalities and their local boards and enterprises. It also assumed, under the provisions of the Act, certain debt incurred

directly by its area municipalities prior to this statutory responsiblity. Where money is borrowed or debt assumed on behalf of other bodies, repayment of the related debt servicing requirements is made by these bodies to the Municipality.

(b) Other Long Term Obligations

Included in this category are:

- the long term obligations arising out of lease purchase agreements entered into by the Municipality in respect of the Animal Domain Ride vehicles at the Metropolitan Toronto Zoo amounting to $3,417,000 (1982 - $3,706,000) and also in respect of the purchase of computer equipment by the Metropolitan Police Commission in the sum of $804,000 (1982 - $974,000).

- a long term interest free loan payable to the Province of Ontario in connection with the capital cost of the expansion of Exhibition Stadium amounting to $8,104,000 (1982 - $8,177,000).

(c) Reconciliation of Gross Long Term Liabilities with Net Long Term Liabilities as reported on the Balance Sheet

In respect of debenture debt

	(in thousands)	
Total principal amount outstanding and incurred by the Municipality		
- for own account	$696,528	
- for local boards and municipal enterprises	224,095	
- for Metropolitan Toronto School Board	229,103	
- for area municipalities	427,525	$1,577,251
Total principal amount outstanding incurred by area municipalities and assumed by the Municipality		
- for own account	693	
- for Metropolitan Toronto School Board	105	798
		1,578,049

Brought forward			$1,578,049
Less: Principal amount outstanding payment of which is to be recovered from others			
- from area municipalities		427,525	
- from Province of Ontario (in respect of assets assumed)		13,444	440,969
			1,137,080
Less: Value of funds accumulated to retire outstanding long term liabilities			
Sinking Fund			
- for own account	280,481		
- for local boards and municipal enterprises	114,459		
- for Metropolitan Toronto School Board	53,335	448,275	
Ministry of the Environment Debt Retirement Fund		303	448,578
Net Long Term Liabilities - Debenture Debt			688,502
In respect of other long term obligations			
Net Long Term Liabilities			
- Capital Leases		4,221	
- Long Term Loans		8,104	12,325
Total Net Long Term Liabilities			$ 700,827
Net long term liabilities outstanding are in respect of the following purposes (in thousands):			
- General municipal activities other than the Metropolitan Toronto Library Board			$394,894
- The Metropolitan Toronto Library Board			20,424
			415,318

Brought forward	$415,318
- The Metropolitan Toronto Waterworks System (recovered from the revenues of the Waterworks System)	85,928
- The Toronto Transit Commission (recovered from the revenues of the Commission)	23,708
- The Metropolitan Toronto School Board (recovered from the revenues of the School Board)	175,873
	$700,827

(d) Net Long Term Liabilities - Future Redemption

Of the net long term liabilities reported in (c) of this note, $259,651,000 in principal payments are payable from 1984 to 1988, $199,179,000 from 1989 to 1993 and $108,424,000 thereafter, and are summarized as follows:

	1984 to 1988	1989 to 1993	1994 and thereafter
		(in thousands)	
from General Municipal Revenues	$127,256	$114,042	$ 66,841
from the Metropolitan Toronto Waterworks System	23,571	22,029	14,240
from the Toronto Transit Commission	9,058	10,749	3,595
from the Metropolitan Toronto School Board	99,766	52,359	23,748
	$259,651	$199,179	$108,424

(e) Translation of Net Long Term Liabilities payable in U.S. Funds

Included in the total of $700,827,000 is an amount of $205,242,000 payable in U.S. funds and converted at rates of exchange prevailing at the time the liability was incurred. If translated at the exchange rate prevailing at December 31, 1983, the Canadian dollar equivalent of this amount of debt would be increased by $37,072,000 (1982 - $37,359,000).

(f) Ontario Municipal Board

Approval of the Ontario Municipal Board has been obtained for the long term liabilities reported on the Balance Sheet.

7. CHARGES FOR LONG TERM LIABILITIES

Payments and recoveries in respect of the total debt incurred by the Municipality for its own account and on account of its local boards and municipal enterprises are set out below. Also included are payments in respect of capital leases entered into by the Municipality, and, where applicable, loan repayments to the Province of Ontario in respect of the long term loan for the expansion of Exhibition Stadium.

	1983	1982
	(in thousands)	
Principal payments including contributions to sinking funds and to the Ministry of the Environment Debt Retirement Fund	$54,340	$50,689
Interest	$97,380	100,555
	151,720	151,244
Recoveries from local boards and municipal enterprises for whom the long term liability was incurred	63,976	65,134
	$87,744	$86,110

The amount of $87,744,000 is charged to expenditures on the Statement of Operations under the appropriate functional classifications and consists of principal payments of $27,967,000 and interest payments of $59,777,000. Payments of interest and principal on debt issued in U.S. currency included in these amounts are reflected at the actual Canadian dollar costs incurred. Principal payments include the sum of $1,486,000 (1982 - $1,183,000) which reflects the excess of costs of conversion to U.S. funds over the corresponding principal amounts recorded at the time the debt was issued.

8. CONTRACTUAL OBLIGATIONS

(a) Capital Fund

Property Settlements Outstanding

Due to the lengthy processes involved in the agreement of the valuation of properties expropriated for capital improvements, there

were a number of settlements outstanding at the end of the year. In view of the complexities of arriving at valuations of such properties, no liability has been brought to account or determined for such outstanding property settlements as at December 31, 1983.

Long Term Liabilities Incurred on Behalf of Area Municipalities

The Municipality is contingently liable for long term liabilities incurred on behalf of its area municipalities. The total amount outstanding as at December 31, 1983 was $427,525,000 (1982 - $415,950,000) and is not recorded on the Balance Sheet. During the year long term liabilities of $43,926,000 (1982 -$30,216,000) were incurred on behalf of the Metropolitan area municipalities and are not reflected on the Statement of Operations.

(b) Revenue Fund

Reduced T.T.C. Fares for the Elderly

The Municipality has entered into an agreement with the Toronto Transit Commission whereby the Municipality has undertaken to assume the cost of the difference between the cost of regular adult fares and half-fares paid by residents of the Municipality 65 years of age and over, effective January 1, 1971, as amended. This agreement continues in force until terminated by either party on sixty days' notice. Expenditures by the Municipality amounted to $8,796,000 in 1983 and provision has been made in the estimates for 1984 for an expenditure of $9,300,000 in this regard.

9. PAST SERVICE PENSION COSTS

In addition to regular payments in respect of current service, the Municipality is obligated to pay the following amounts in respect of past service into various pension and benefit plans as follows (in thousands):

Total - 1984 to 1987	$ 51,906
Total - 1988 to 1991	51,493
Total - 1992 to 1994	26,040
Total commitment as at December 31, 1983	$129,439

No provision has been made in the accounts for these obligations, and the expense is recorded as annually incurred. In this regard, expenditure of $13,014,000 was incurred in 1983 and is reported on the Statement of Operations.

10. VESTED SICK LEAVE BENEFITS

Under the sick leave benefit plan, unused sick leave can accumulate and employees may become entitled to a cash payment when they leave the Municipality's employment.

Metropolitan Council on April 23, 1982, approved the establishment of a Corporate Sick Pay Reserve Fund to cover payouts to employees of the Metropolitan Corporation, the Metropolitan Waterworks System and the Metropolitan Toronto Housing Company Limited, such that contributions to the fund are sufficient to offset expected payouts over a given period of time. Projections are required to be made over a forecast period of ten years, such projection process being repeated every two years. It is anticipated that this process will stabilize the financial impact on the Corporation in respect of future payment of vested sick leave benefits.

Based on the latest projections, contributions to the Corporate Sick Pay Reserve Fund are anticipated to amount to $12,529,000 for the years 1984-1986, $17,861,000 for the years 1987-1989 and $24,427,000 for the years 1990-1992 and allow the funds in reserve to remain generally between 15 and 20 per cent of the contingent liability represented by vested sick leave benefits. As at December 31, 1983, the balance of the Corporate Sick Pay Reserve Fund stood at $12,428,000 while the contingent liability in regard to vested sick leave benefits amounted to $56,934,000.

Contributions to the Corporate Sick Pay Reserve Fund in 1983 relative to employees of the Metropolitan Corporation amounted to $3,649,000, and are reported on the Analysis of Current Operations.

11. MUNICIPAL EQUITY AT THE END OF THE YEAR

(a) The balance on the Statement of Operations of municipal equity of $54,588,000 (1982 - $67,590,000) at the end of the year is comprised of the following:

	1983	1982
	(in thousands)	
. for general reduction of taxation	$39,329	$33,323
. acquisition of fixed assets to be recovered through taxation	(17,840)	(9,166)
. acquisition of fixed assets to be financed from the proceeds of long term liabilities	(17,840)	(9,166)
. funds available for the acquisition of fixed assets	50,939	52,599
	$54,588	$67,590

(b) Approval of the Ontario Municipal Board has been obtained for the pending issues of long term liabilities and for those commitments to be financed from revenues beyond the term of Council.

12. RESERVES AND RESERVE FUNDS

The total balance of reserves and reserve funds of $46,124,000 (1982 - $80,654,000) is made up of the following:

	1983	1982
	(in thousands)	
Set aside for specific purposes by Council		
Reserves		
. for exchange stabilization	$ 2,360	$ 2,360
. for replacement of equipment	2,465	2,722
. for sick pay benefits	1,158	404
. for debenture interest accrual	7,650	3,825
. for capital financing stabilization	9,616	39,694
. for capital expenditure	-	5,000
. for parks and recreation programs and facilities	1,089	1,000
. for construction of convention centre	6,543	13,500
. for emergency response facilities	1,175	1,000
	$32,056	$69,505
Reserve Funds		
. for sick pay benefits	$12,428	$10,079
. for insurance	749	731
. for parks and recreation programs and facilities	776	228
	$13,953	$11,038
Total	$46,009	$80,543

	1983	1982
	(in thousands)	
Set aside for specific purposes by legislation, regulation or agreement		
Reserve Funds		
. for Lakeview Sewage Treatment Plant - Ministry of the Environment Reserve Fund for contingencies	$ 115	$ 111
Grand Total	$46,124	$80,654

13. SINKING FUNDS SURPLUS MONIES

The actual Sinking Funds reflected in the value of net long term liabilities at the end of the year do not include specific accumulations at that date in excess of the total related debt. Because those accumulations are subject to a decision of The Metropolitan Council as to their use for either capital or revenue purposes, it has been the Corporation's policy not to reflect such accumulations in the financial statements. Commencing with the 1983 reporting year, these specific surplus sinking funds accumulations amounting to $11,470,000 Canadian (1982 - $8,694,000 Canadian) have been recorded as receivable. Corresponding amounts have been set up as deferred revenue and are included on the Balance Sheet under "Other Current Liabilities". The 1982 figures have been restated to conform with the current year's presentation.

14. ONTARIO INFLATION RESTRAINT PROGRAM

Pursuant to the terms of The Inflation Restraint Act enacted by the Ontario Legislature on December 15, 1982, the Municipality of Metropolitan Toronto is subject to the Ontario Inflation Restraint Program. Accordingly, salaries and wages paid by the Municipality of Metropolitan Toronto were subject to restraint under the Provincial program.

15. CHANGES IN ACCOUNTING AND REPORTING POLICIES

Ontario Municipalities and their local boards must follow the accounting principles outlined in the Municipal Financial Reporting Handbook. Effective for the 1983 fiscal year, many of the accounting and reporting requirements were substantially revised. The 1982 figures presented for comparative purposes have been restated to conform with the new presentation in 1983. The revisions have not resulted in any change in Fund Balances at the end of either year. The following summary outlines the more significant changes made:

i) Presentation of a Balance Sheet and Statement of Operations which combines the position and operations of the revenue fund, capital fund, reserves and reserve funds. Prior to 1983, these were presented individually.

ii) Restricted assets, comprising assets of reserve funds, are now reported as such.

iii) Previously, the capital expenditures yet to be permanently financed were combined with the total of unmatured long term liabilities and reported in the Balance Sheet as "Capital outlay to be recovered in future years". Presently, the capital expenditures yet to be permanently financed are offset against the capital funds available for the acquisition of fixed assets and are reported on the Balance Sheet as "Unexpended capital financing" under the heading "Fund Balances". The total of unmatured long term liabilities is now represented by "Capital outlay financed by long term liabilities and to be recovered in future years".

THE MUNICIPALITY OF METROPOLITAN TORONTO
ANALYSIS OF CURRENT OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 1983
(in thousands of dollars)

	1982 Actual	1983 Actual	1983 Budget	Budget Comparison
SURPLUS AT THE BEGINNING OF THE YEAR	$ 48,796	$ 33,323	$ 33,482	$ (159)
REVENUE				
Taxation and User Charges				
Requisition on local municipalities	1,400,935	1,552,708	1,539,288	13,420
User charges	90,622	112,997	104,593	8,404
Less: School board requisition	(907,773)	(1,005,038)	(996,407)	(8,651)
Grants				
Government of Canada	56	2,065	1,975	90
Province of Ontario	351,688	397,939	402,622	(4,683)
Other				
Investment income	23,506	12,351	13,000	(649)
Fines	21,185	22,716	25,800	(3,084)
Other	8,529	22,541	21,952	589
	988,748	1,118,259	1,112,823	5,436
EXPENDITURES				
General Government	64,722	52,212	50,358	(1,854)
Protection to persons and property	291,735	315,467	314,109	(1,358)
Transportation services	184,621	200,526	198,018	(2,508)
Environmental services	104,768	121,423	131,141	9,718
Health services	30,152	34,372	36,603	2,231
Social and family services	261,800	322,282	337,737	15,455
Recreation and cultural services	57,936	60,838	62,335	1,497
Planning and development	8,487	5,133	7,144	2,011
Other	-	-	8,860	8,860
	1,004,221	1,112,253	1,146,305	34,052
SURPLUS AT THE END OF THE YEAR	$ 33,323	$ 39,329	-	$ 39,329

THE MUNICIPALITY OF METROPOLITAN TORONTO

ANALYSIS OF CAPITAL OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 1983

(in thousands of dollars)

	1982	1983
SOURCE OF FUNDS		
General Municipal purposes		
Long term liabilities incurred	$ 9,131	$ 38,160
Ontario grants	82,747	115,126
Other	14,801	20,879
Appropriations from other funds		
. current operations	38,149	55,309
. reserves	2,121	25,795
. reserve funds	569	494
	147,518	255,763
Municipal Enterprise purposes		
Long term liabilities incurred on behalf of the Metropolitan Toronto Waterworks System	1,001	
	148,519	255,763
EXPENDITURES AND TRANSFERS		
General Municipal purposes		
General government	658	432
Protection to persons and property	5,140	21,457
Transportation services	106,336	164,255
Environmental services	25,128	70,036
Health services	2,649	2,822
Social and family services	5,302	6,845
Recreation and cultural services	8,443	8,904
Planning and development	25	20
	153,681	274,771
Municipal Enterprise purposes		
Transfer of proceeds of issue of long term liabilities to the Metropolitan Toronto Waterworks System	1,001	
	154,682	274,771
Unexpended capital financing at the beginning of the year	65,730	34,267
Appropriation of prior years' financing re general municipal purposes to capital financing stabilizing reserve	25,300	
Unexpended capital financing at the end of the year	$ 34,267	$ 15,259

THE MUNICIPALITY OF METROPOLITAN TORONTO

ANALYSIS OF RESERVES AND RESERVE FUNDS

FOR THE YEAR ENDED DECEMBER 31, 1983

(in thousands of dollars)

	Total 1982 $	Total 1983 $	Exchange Stabilization $	Replacement of Equipment $	Convention Centre $	Emergency Response Facility $	Police Central Sick Pay $	Acquisition of Parklands $	Debenture Interest Accrual $	Metro Capital Facilities $	Capital Financing Stabilization $	C.N.E.A. Vested Reserves $
RESERVES												
Balance at the beginning of the year	23,160	69,505	2,360	2,722	13,500	1,000	404	1,000	3,825	5,000	39,694	-
Appropriations from (to) current operations	31,197	(3,677)		3,946		175	877		3,825	(5,000)	(7,500)	
Interest earned	1,500											
Other contributions	2	266		155								59
Appropriations to reserve funds	(8,000)	(4)		(4)								
Appropriations from (to) capital operations	23,179	(25,795)		(3,217)							(22,578)	
Other charges	(1,533)	(8,217)	-	(1,137)	(6,957)	-	(123)	-	-	-	-	-
Balance at the end of the year	69,505	32,056	2,360	2,465	6,543	1,175	1,158	1,000	7,650	-	9,616	89

	Total 1982	Total 1983	M.O.E. Contingencies Reserve Fund	O'Keefe Centre Capital Improvements	Stadium Capital Improvements	Insurance Reserve Fund	Corporate Sick Pay	Regent Park Community Centre	C.N.E.A. Vested Reserve Fund
RESERVE FUNDS									
Balance at the beginning of the year	16,294	11,149	111	180	48	731	10,079	-	-
Revenue									
Contributions from current operations	10,711	4,865		249	584	340	3,649	43	
Contributions from capital operations	7	7				7			
Contributions from reserves	8,000	4					4		
Contributions from others	780	588				190	248		150
Interest earned	1,711	1,330	4	24	9	92	1,200	1	-
	21,209	6,794	4	273	593	629	5,101	44	150
Expenditure									
Contributions to current operations	56	18			18				
Contributions to capital operations	570	494		320	174				
Other charges	25,728	3,363		-	-	611	2,752		
	26,354	3,875		320	192	611	2,752		
Balance at the end of the year	11,149	14,068	115	133	449	749	12,428	44	150

The Municipality of
Metropolitan Toronto

Metropolitan Audit Department

12th Floor, 365 Bay Street
Toronto, Ontario, Canada M5H 2V1
Telephone: (416) 947-8030

Allan G. Andrews, C.A., *Metropolitan Auditor*

July 16, 1984

AUDITOR'S REPORT

**The Chairman and Members of the
Metropolitan Council of the
Municipality of Metropolitan Toronto**

I have examined the balance sheet of the trust funds of the Municipality of Metropolitan Toronto as at December 31, 1983 and the trust funds statement of continuity for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the trust funds of the Municipality as at December 31, 1983 and the continuity of trust funds for the year then ended in accordance with generally accepted accounting principles for Ontario municipalities applied on a basis consistent with that of the preceding year.

METROPOLITAN AUDITOR

THE MUNICIPALITY OF METROPOLITAN TORONTO
TRUST FUNDS STATEMENT OF CONTINUITY
FOR THE YEAR ENDED DECEMBER 31, 1983
(in thousands of dollars)

	Total 1982	Total 1983	Homes For The Aged Residents' Trust Fund	Metropolitan Toronto Public Utilities Co-ordinating Committee	Edward Gardens "Wishing Fountain" Trust Fund	Transient Traders' License Fees
BALANCE, BEGINNING OF YEAR (see note below)	$14,965	$16,157	$13,183	$103	$ 1	$ 1
Capital Receipts						
Cash or collateral received	8,523	8,869	3,930			
Membership fees	25	20				
Increase in value of investments	(185)	21	21	29		1
Interest earned	2,015	1,606	1,251			
Sundry revenues	36	32		10		
				2		
	10,814	10,126	4,202	36		1
Expenditures						
Payments made to Metropolitan Treasurer	2,545	1,866	1,482			
Payments made to Provincial Courts	2,796	2,966				
Payments made to or on behalf of area municipalities	583	763				
Payments made to or on behalf of residents	2,520	2,715	2,715			
Payments made to sundry persons	1,242	1,346				
Materials, supplies and services	76	23		23		
	9,766	9,679	4,197	23		
BALANCE, END OF YEAR	$15,993	$16,604	$13,688	$116	$ 1	$ 1

TRUST FUNDS BALANCE SHEET
DECEMBER 31, 1983

ASSETS						
Cash	$ 275	$ 1,250	$ 1,369			
Investments at cost, which approximates market value						
Canada	778	614	556			
Provincial		296				
Other	13,880	13,532	11,521	$116		
	14,658	14,442	12,077	116		
Other						
Accounts receivable	35	38				
Interest receivable on investments	980	148	59			
Due from Metropolitan Toronto	325	525	5			
					$ 1	$ 1
	1,340	711	64		1	1
TOTAL ASSETS	$16,296	$16,903	$13,688	$116	$ 2	$ 2
LIABILITIES						
Accounts payable	$ 303	$ 295				
Due to Metropolitan Toronto		4				
Balance - Capital	15,993	16,604	$13,688	$116	$ 1	$ 1
TOTAL LIABILITIES	$16,296	$16,903	$13,688	$116	$ 1	$ 1

Effective January 1, 1983, mortgages held by residents of the Corporation's Homes for the Aged have been brought to account as assets of the Trust Funds and this has the effect of increasing the 1983 opening balance by $164,000.

THE MUNICIPALITY OF METROPOLITAN TORONTO
TRUST FUNDS STATEMENT OF CONTINUITY
FOR THE YEAR ENDED DECEMBER 31, 1983
(in thousands of dollars)

	Keele Valley Small Claims Deposit	Community Services Department Donations	Scarborough Beare Road Ski Facilities	Police Commission Trust Funds	Dunbarton Landfill Restoration Fund
BALANCE, BEGINNING OF YEAR		$ 51	$ 1,769	$ 178	$ 119
Capital Receipts					
Cash or collateral received	$ 100				
Membership fees		61		3,307	
Increase in value of investments					
Interest earned			208		6
Sundry revenues					
	100	61	208	3,307	6
Expenditures					
Payments made to Metropolitan Treasurer				256	
Payments made to Provincial Courts				2,966	
Payments made to or on behalf of area municipalities					
Payments made to or on behalf of residents					
Payments made to sundry persons		65		271	56
Materials, supplies and services					
		65		3,493	56
BALANCE, END OF YEAR	$ 100	$ 47	$ 1,977	$ 192	$ 69

TRUST FUNDS BALANCE SHEET
DECEMBER 31, 1983

ASSETS					
Cash			$ 1	$ 192	$ 7
Investments at cost, which approximates market value					
Canada			57		
Provincial					
Other			1,834		59
			1,891		59
Other					
Accounts receivable					
Interest receivable on investments			85		1
Due from Metropolitan Toronto	$ 100	$ 47			
	100	47	85		1
TOTAL ASSETS	$ 100	$ 47	$ 1,977	$ 192	$ 69
LIABILITIES					
Accounts payable					
Due to Metropolitan Toronto					
Balance - Capital	$ 100	$ 47	$ [illegible]	$ 192	$ 69
TOTAL LIABILITIES	$ 100	$ 47	$ 1,977	$ 192	$ 69

THE MUNICIPALITY OF METROPOLITAN TORONTO
TRUST FUNDS STATEMENT OF CONTINUITY
FOR THE YEAR ENDED DECEMBER 31, 1983
(in thousands of dollars)

	Metropolitan Municipalities Liability Trust Account	Security Deposits and Bonds	General Damages in Trust	Request from the Estate of Velma E. Francis	Request from the Estate of Henry Jackman
BALANCE, BEGINNING OF YEAR	$ 390	$ 66	$ 223	$ 29	$ 50
Capital Receipts					
Cash or collateral received	1,220	89	35		
Membership fees					
Increase in value of investments					
Interest earned	98	1	18	1	13
Sundry revenues	30	—	—	—	—
	1,348	90	53	3	13
Expenditures					
Payments made to Metropolitan Treasurer	128				
Payments made to Provincial Courts					
Payments made to or on behalf of area municipalities	763				
Payments made to or on behalf of residents					
Payments made to sundry persons	798	122	39		
Materials, supplies and services	—	—	—		
	1,689	122	39		
BALANCE, END OF YEAR	$ 49	$ 34	$ 249	$ 27	$ 63

TRUST FUNDS BALANCE SHEET
DECEMBER 31, 1983

ASSETS					
Cash	$ 6				
Investments at cost, which approximates market value					
Canada					
Provincial	296	$ 1			
Other	—	2			
	296	3			
Other					
Accounts receivable	38				
Interest receivable on investments	3				
Due from Metropolitan Toronto	5	31	$ 249	$ 27	$ 63
	46	31	249	27	63
TOTAL ASSETS	$ 348	$ 34	$ 249	$ 27	$ 63
LIABILITIES					
Accounts payable	$ 295				
Due to Metropolitan Toronto	4				
Balance - Capital	49	$ 34	$ 249	$ 27	$ 63
TOTAL LIABILITIES	$ 348	$ 34	$ 249	$ 27	$ 63

APPENDIX - I

THE MUNICIPALITY OF METROPOLITAN TORONTO
STATUTORY POWERS AND RESPONSIBILITIES

Under the Municipality of Metropolitan Toronto Act, the Corporation was responsible in 1983 for the following municipal functions, duties and services:

A. Waterworks System

The establishment and operation for the Metropolitan Area of a waterworks system for the production, treatment, storage of water; trunk distribution mains, and the sale of water to the area municipalities, and any local or regional municipality outside the Metropolitan Area.

The Metropolitan Council may add a surcharge to the water rates which must be applied or expended to collect or receive sewage and land drainage from the area municipalities and for its treatment and disposal.

Where water is obtained from a private waterworks system and is ultimately discharged into the Metropolitan sewer system, the Metropolitan Council may charge a rate in respect of the water discharged.

B. Sewage Works

The operation and maintenance of all sewage treatment works and related trunk sewers, for the Metropolitan Area.

The Metropolitan Corporation may contribute toward the cost to any area municipality for the separation of sanitary and storm sewers now in existence in the area municipality such amount as it deems proper, not exceeding 25% of the total cost thereof to the area municipality.

C. Waste Disposal

1. The Metropolitan Corporation, after obtaining the approval of the local municipality concerned or the Ontario Municipal Board, may acquire and use land within any local municipality or in territory without municipal organization and may erect, maintain and operate buildings, structures and machinery for the purposes of dumping and disposing of waste of any kind, and may make regulations and, except to any area municipality or its agent, charge related fees.

2. The Metropolitan Corporation may erect buildings and operate machinery for the recovery and sale of products or energy derived from processing domestic or industrial sewage or waste.

D. Road System

1. The construction and maintenance of all roads within the Metropolitan Area which have been designated as Metropolitan roads by by-law of the corporation and approved as such by the Lieutenant-Governor in Council.

2. The regulation of traffic and placement of traffic signs with respect to Metropolitan roads, in accordance with powers under the Municipal Act, the Highway Traffic Act and any other Act respecting highways.

All signal-light traffic control systems installed on highways in the Metropolitan Area are vested in the Metropolitan Corporation and no area municipality may install or operate such systems. The Metropolitan Corporation may install and operate such traffic control systems on any highway in the Metropolitan Area, and regulate traffic within 30.5 metres of any such signals in accordance with Section 169 of the Highway Traffic Act.

3. The Metropolitan Council may by by-law empower the Council of any area municipality to lease or license the use of sidewalks and untravelled portions of Metropolitan roads within the area municipality, for such purposes and upon such terms and conditions as are specified by the Metropolitan Council in the by-law.

4. The Metropolitan Corporation may enter into an agreement with the Ontario Motor League or any similar organization for the provision and maintenance of an emergency call system on any Metropolitan road.

E. Transportation

1. The appointment of five commissioners constituting the Toronto Transit Commission which on and after January 1954, became responsible for local passenger transportation within the Metropolitan Area with the exception of steam railways, taxis, horse-drawn vehicles used for the purpose of providing sightseeing tours, buses owned and operated by or operated pursuant to a contract with a board of education, school board or private school, buses owned and operated by any corporation or organization solely for its own purposes, provided no fare or fee is charged for transportation, and buses on the Toronto Islands.

2. To expend monies for the purposes of an extension to the rapid transit system of the Toronto Transit Commission with the conditions of financing thereof as defined in the Municipality of Metropolitan Toronto Act.

3. The Metropolitan Corporation may contribute to the operating costs of the Toronto Transit Commission, and subject to the approval of the Ontario Municipal Board, may contribute to the capital costs of the Commission.

4. The payment of grants to the Toronto Transit Commission relating to free transportation for blind persons and war amputees, reduced fares for elderly persons and transportation of the physically handicapped under broad powers given to the Metropolitan Corporation to make grants under Section 113 of the Municipal Act.

F. Education

To levy against the area municipalities the amount required for the current year for purposes of the Metropolitan Toronto School Board.
The payment in monthly instalments to the Metropolitan Toronto School Board of the annual requirement of the Board, exclusive of debt charges and exclusive of the special levy for permanent improvements.

G. Public Libraries

1. The payment to the Metropolitan Toronto Library Board out of the monies appropriated for the Library Board for the provision of central or regional reference library services such amount as is requisitioned by the Board.

2. The acquisition of land for purposes of the Metropolitan Toronto Library Board.

3. The appointment of two members to the Metropolitan Toronto Library Board who shall be residents in the Metropolitan Area.

H. Health and Welfare Services

1. The Municipality of Metropolitan Toronto is deemed to be a city, and no area municipality is deemed to be a municipality, for the statutory obligations for health and welfare services for Metropolitan residents under the following Acts:
   (a) Anatomy Act
   (b) Day Nurseries Act
   (c) Homemakers and Nurses Services Act
   (d) Mental Hospitals Act
   (e) War Veterans Burial Act
   (f) Public Hospitals Act respecting the hospitalization and burial of indigent persons and their dependants
   (g) Homes for the Aged and Rest Homes Act
   (h) General Welfare Assistance Act
   (i) Section 20(2) of the Juvenile Deliquents Act (Can.)

2. The Metropolitan Corporation under the Public Hospitals Act and the Public Health Act respectively may establish, maintain and operate a public hospital and an isolation hospital.

3. From January 1, 1957, the Metropolitan Corporation became responsible for the maintenance and operation of Riverdale Isolation Hospital, the land, buildings and personal property of the Hospital and the Nurses' Residence being vested in the Metropolitan Corporation as at that date. Under authority of The Riverdale Hospital Act, 1964, given Royal Assent on March 25, 1964, and By-law No. 2116 of the Metropolitan Corporation, the management, maintenance and operation of this Hospital became vested in a corporation under the name of "The Board of Governors of the Riverdale Hospital", effective April 25, 1964. The ownership of the Hospital remains vested in the Metropolitan Corporation, and the Board operates the Hospital under a rental lease from the Corporation. The Board is not a local board of the Metropolitan Corporation.

4. The Metropolitan Corporation is liable for the maintenance of indigent persons in Nursing Homes awaiting accommodation in a Home for the Aged of the Metropolitan Corporation.

5. The Metropolitan Corporation may establish and maintain or grant money to aid in the construction of public bathing houses.

6. The Metropolitan Council may pass by-laws to provide money for the health and welfare of the resident poor not otherwise specifically provided for in the Municipality of Metropolitan Toronto Act.

7. The Metropolitan Corporation may acquire, maintain and operate ambulances for the conveyance of persons requiring medical attention to a hospital or other place and may give instruction in and provide information in respect of emergency first aid and basic life support techniques and fix and charge fees therefor.

8. The Metropolitan Council may make grants in aid of the establishment, construction, extension or equipment of homes for the care of elderly persons.

9. The Metropolitan Corporation is deemed to be a municipality for the purposes of the Elderly Persons Centres Act.

I. Police

1. The appointment of one of its Council Members to the Metropolitan Board of Commissioners of Police for the Metropolitan Corporation to act with the Chairman of the Metropolitan Council and three other persons designated by the Lieutenant-Governor in Council in the administration of all police matters within the Metropolitan Area.

2. The conveyance of prisoners from a correctional institution to and from the place of the hearing or proceeding, if their attendance is required.

3. From November 13, 1970 the Metropolitan Corporation was empowered, subject to the approval of the Ontario Police Commission, to establish, maintain and regulate lock-up facilities.

4. By legislation enacted in 1968, the Province of Ontario became responsible, from January 1, 1968, for all costs and became entitled to all revenue relative to the administration of justice other than police costs. The Metropolitan Corporation is entitled to the fines resulting from infractions of municipal by-laws.

5. The Metropolitan Council was authorized by legislation passed in 1981 to recommend for appointment one-third of the membership of a Police Complaints Board and the Metropolitan Board of Commissioners of Police and the Metropolitan Toronto Police Association are also to jointly recommend the same number.

6. The Metropolitan Police Force may maintain a safety and lifesaving patrol and may charge a fee for the provision of a lifeguard service and port policing.

J. Licensing

The establishment of the Metropolitan Licensing Commission, to be composed of the Chairman of the Metropolitan Council or any member of the Metropolitan Council delegated by the Chairman to act for him, and two appointments to be made by the Metropolitan Council provided the persons so appointed are not members of the council of an area municipality.

The Metropolitan Council may pass any by-law that the Licensing Commission may pass and may repeal in whole or in part any existing by-law of the Licensing Commission.

K. Housing and Redevelopment

1. The Metropolitan Corporation and the Metropolitan Council were given all the powers conferred on the corporation or council of a municipality under the Housing Development Act or any other Act with respect to housing or building development, housing projects, temporary housing accommodation and redevelopment areas and with respect to any other matter concerned with the provision or improvement of housing accommodation.

2. The Metropolitan Council and the council of any area municipality may, by by-law approved by the Minister of Municipal Affairs and Housing, adopt a policy statement relative to housing containing specific objectives, production targets and financial arrangements. Where such a policy statement has been adopted by the Metropolitan Council and approved by the Minister of Municipal Affairs and Housing every housing policy statement that has been adopted by the council of an area municipality shall be amended forthwith to conform therewith, and no housing policy statement of an area municipality shall thereafter be approved that does not conform with the housing policy statement of the Metropolitan Council.

L. Planning

1. Metropolitan Council is responsible for all matters relating to Planning and is required, subject to the approval of the Minister of Municipal Affairs and Housing, to maintain in force an Official Plan for the planning area which coincides with the physical boundaries of Metropolitan Toronto. The revised Planning Act which came into force on August 1, 1983 provides that the official plans and zoning by-laws of local municipalities shall be brought into conformity with the Metropolitan plan and provides that Metropolitan Toronto may provide advice and assistance on planning matters to local municipalities on such terms and conditions as may be agreed upon.

2. The Metropolitan Corporation may enter into agreements with an area municipality for sharing or contributing to the costs incurred by the area municipality with respect to redevelopment areas.

M. Parks, Recreation Areas, etc.

1. The acquisition and maintenance of public parks, recreation areas, zoological gardens, etc.

2. From December 16, 1977, the Metropolitan Corporation was empowered to enter into an agreement with the Board of Management of the Metropolitan Toronto Zoo, entrusting the operation, management and maintenance of the Metropolitan Toronto Zoo to the Board of Management on such terms and conditions as the Metropolitan Council considers proper. The Metropolitan Council subsequently appointed a Board of Management as provided by the Act composed of 9 members, of whom 4 shall be nominees of the Metropolitan Toronto Zoological Society.

3. All property rights formerly held by the City of Toronto in the Toronto Islands with the exception of those pertaining to the Toronto Island Airport became vested in the Metropolitan Corporation from January 1, 1956. During the period December 18, 1981 to July 31, 2005, a certain portion of the Toronto Islands is now deemed to have been leased and assigned to the City of Toronto and the City of Toronto may lease the land and structures to occupants for residential purposes until July 31, 2005.

4. The establishment, maintenance and operation of a ferry service for providing access to the Toronto Islands.

5. The establishment and operation of a public bus transportation system on the Toronto Islands and the fixing of the fares for such transportation.

6. The Metropolitan Corporation is deemed to be a municipality for the purposes of the Parks Assistance Act, and where, under an agreement with The Metropolitan Toronto and Region Conservation Authority, lands vested in the Authority are managed and controlled by the Metropolitan Corporation, the Corporation is empowered to exempt such lands from taxation and to maintain roads and regulate traffic on such lands.

7. The Metropolitan Corporation was empowered to assume any of the lands in the City of Toronto designated or known as Exhibition Park, subject to the payment by the Metropolitan Corporation before the due date of all amounts of principal and interest becoming due upon any outstanding debentures issued in respect of the property assumed. From February 23, 1983, a Board of Governors of Exhibition Place was established to operate Exhibition Place, including Exhibition Stadium. The Board is composed of fourteen members, of which eleven members are appointed by the Metropolitan Council comprising three Council members, three nominees of the Canadian National Exhibition Association and five members at large, together with the Chairman of the Metropolitan Council, the Mayor of the City of Toronto and the president of the Canadian National Exhibition Association. The Metropolitan Corporation may enter into agreements with the Board, the Canadian National Exhibition Association, the Royal Agricultural Winter Fair or other persons respecting the use, operation and maintenance of the land and buildings in Exhibition Place.

8. From June 15, 1983, a Board of Management of The Guild was established to operate, manage and maintain The Guild as a hotel, restaurant, recreation, cultural, conference and seminar facility. The Board is composed of a chairman and fourteen members appointed by the Metropolitan Council, of whom seven shall be nominees of the Lieutenant-Governor in Council.

N. Finances

1. The preparation and adoption of estimates sufficient to provide the money necessary for the purposes of the Corporation, the Metropolitan Toronto School Board and, where required by statute, any local board of the Corporation, and the levying of the amount required for these estimates against the area municipalities in accordance with the provisions of the Act.

   The Metropolitan Council may make an interim levy before the adoption of the estimates.

2. Subject to certain prescribed procedure, the issuing of all debentures for purposes of the Corporation, all local boards of the Corporation, all area municipalities, and all local boards of the area municipalities. No area municipality has had the power to issue debentures since December 31, 1953.

3. The issuance of sinking fund debentures, the assets of the sinking fund to be under the sole control and management of a sinking fund committee composed of the Treasurer of the Metropolitan Corporation and two members appointed by the Metropolitan Council.

4. The payment to area municipalities before the due date of all amounts of principal and interest becoming due upon any outstanding debentures issued by the area municipalities in respect to any asset assumed by the Corporation from the area municipality and in respect of debentures assumed from the area municipalities on behalf of the Toronto Transit Commission and from the Town of Pickering on behalf of the Metropolitan Toronto School Board.

O. General

1. To provide for and administer a pension plan for employees, which plan may be extended, by agreement, to include the employees of any local board of the Metropolitan Corporation, any area municipality, and any local board of any area municipality, and employees of the then Toronto and York Roads Commission.

2. To diffuse information respecting the advantages of the municipality as an industrial, business, educational, residential or vacation centre. The Metropolitan Council may expend for this purpose in any year such sum as it may determine.

3. To make grants on such terms and conditions as to security and otherwise as the council may consider expedient to any person, institution, association, group or body of any kind, including a fund, within or outside the boundaries of the municipality for any purpose that, in the opinion of the council, is in the interests of the municipality.

4. To expend such sum as Council may determine for the reception or entertainment of persons of distinction or the celebration of events or matters of national or international interest or importance, or for or towards the travelling and other expenses of the members of Council and of the officers and servants of the municipality while travelling within or outside the municipality in their capacity as councillors, officers or servants.

5. The passing of by-laws for the establishment and maintenance of emergency measures civil defence organizations in the Metropolitan Area, and for providing monies for emergency measures and civil defence, for the purposes of emergency measures civil defence organizations and for the cost of the operation of such organizations, and for other similar work within the municipality and for acquiring alternative headquarters outside the Metropolitan Area. Upon the passing of such by-laws, no area municipality has the authority to establish a similar organization.

6. The Metropolitan Corporation may establish a Metropolitan Parking Authority, or enter into an agreement for the Parking Authority of Toronto to operate and manage Metropolitan parking lots.

7. The Metropolitan Corporation may pass by-laws for the prohibition and abatement of public nuisances.

8. The Metropolitan Corporation may pass by-laws to prohibit undue noise from motor vehicles.

9. The Metropolitan Corporation may assume the whole or any part of the capital and operating costs of the fire boat and the marine fire boat station of the City of Toronto.

10. The Metropolitan Corporation was empowered to acquire the theatre in the City of Toronto known as the O'Keefe Centre. The Metropolitan Council is responsible for appointing a board of management composed of not less than 3 and not more than 7 persons. This board is deemed not to be a local board of the Metropolitan Corporation.

11. The Metropolitan Corporation was empowered to enter into agreements with area municipalities regarding insurance and to establish a fund in connection with such insurance.

Specific References to the Metropolitan Corporation

In addition to duties and responsibilities set out in the Municipality of Metropolitan Toronto Act specific references to the Metropolitan Corporation are also contained in the following Acts:

A. Health and Welfare Services

1. The Child Welfare Act - Section 1(i)

2. The Day Nurseries Act - Section 1(k)

3. The Fluoridation Act

By Section 7, the Council of the Metropolitan Corporation may, by by-law, establish, maintain and operate or discontinue a fluoridation system in connection with the Metropolitan waterworks sytem and may fix a day for the submission of a question under this Act to the electors.

4. The Ambulance Act - Section 1(g)

B. Parks, Recreation Areas, etc.

The Conservation Authorities Act

By Section 5(3), the Municipality of Metropolitan Toronto is continued as a participating municipality in the Metropolitan Toronto and Region Conservation Authority for the purposes of this Act.

C. Transportation

1. The Commuter Services Act

By Section 3(1), the Province of Ontario may enter into agreements with the Canadian National Railways or any other corporation or individual for the establishment and operation of commuter services in Ontario.

By Section 3(2), a metropolitan municipality is a corporation for the purposes of Section 3(1) and may enter into such agreements.

2. The Public Transportation and Highway Improvement Act

By Section 92, certain expenditures made by a metropolitan municipality in connection with rapid transit construction are eligible for provincial subsidy.

By Section 94, certain expenditures made in respect of public transportation by a metropolitan municipality are eligible for provincial subsidy.

By Section 22(1) and (2), certain expenditures made by a metropolitan municipality in connection with a transportation needs study report and a transportation experimental project are eligible for provincial subsidy.

3. The Toronto Area Transit Operating Authority Act

By Section 1(g), "regional area" means the Metropolitan Area as defined in the Municipality of Metropolitan Toronto Act.

D. Highways

1. The Motorized Snow Vehicles Act

By Section 6(4), the Metropolitan Council may pass by-laws regulating, governing or prohibiting the operation of motorized snow vehicles along or across any highway or part of a highway under its jurisdiction.

2. The Public Transportation and Highway Improvement Act

For the purposes of Section 29, "municipality" includes a metropolitan municipality.

By Section 87, "municipality" means a metropolitan municipality for part XI of the Act.

E. General

Airports Act	Section 1(b)
Art Gal[illegible]rio Act	Section 4(1)(c)
Can[illegible] Exhibition Association Act	Section 1(d)
Con[illegible]on Lien Act	Section 1(1)
Crossroads Christian Communications Incorporated Act	Section 2
Development Corporations Act	Section 12(8)
Environmental Assessment Act	Section 1(h)
Environmental Protection Act	Section 1(j) Section 70
Health Protection and Promotion Act	Section 1(1)
Housing Development Act	Section 1(d)
Judicial Review Procedure Act	Section 1(d)
Landlord and Tenant Act	Section 124
Line Fences Act	Section 22
Lord's Day (Ontario) Act	Section 2(1) Section 6(1)
Ministry of Municipal Affairs and Housing Act	Section 1(d)
Municipal Act	Section 303(2)
Municipal Arbitrations Act	Section 14(1)
Municipal Boundary Negotiations Act	Section 1(d)
Municipal Conflict of Interest Act	Section 1(j)
Municipal Unemployment Relief Act	Section 1
Municipal Works Assistance Act	Section 1(c)
Ontario Education Capital Aid Corporation Act	Section 1(b)
Ontario Municipal Employees Retirement System Act	Section 1(1)
Ontario Unconditional Grants Act	Section 1(j) Section 3(a)
Ontario Universities Capital Aid Corporation Act	Section 1(d)
Ontario Water Resources Act	Section 1(n)
Pension Benefits Act	Section 1(1)(d)
Planning Act	Section 1(g)
Provincial Land Tax Act	Section 1(f)
Retail Business Holidays Act	Section 4(1)
Retail Sales Tax Act	Section 1
Shoreline Property Assistance Act	Section 5
Statutory Powers Procedure Act	Section 1(c)

POOR

QUALITY

ORIGINAL